United Water
CONSERVATION DISTRICT

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

United Water Conservation District

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prepared by Finance Division

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United Water
CONSERVATION DISTRICT

December 6, 2019

To the Honorable Board of Directors of United Water Conservation District:

We are pleased to present the United Water Conservation District's (District) Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. This report was prepared in accordance with generally accepted accounting principles as implemented by the Governmental Accounting Standards Board (GASB) and other accounting and rule making bodies.

District management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rogers, Anderson, Malody and Scott, LLP, Certified Public Accountants, have issued an unmodified opinion on the District's financial statements for the year ended June 30, 2019. The independent auditor’s report is located at the front of the financial section of this report (pages 1-3).

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

In 1925, the founding organization of today's United Water Conservation District, the Santa Clara River Protection Association (Association), was formed to protect the runoff of the Santa Clara River from being exported outside the watershed. This effort was successful, and in 1927, the Association was reorganized into the Santa Clara Water Conservation District by vote of the county residents.

In 1950, the voters approved the formation of the District under the State Water Conservation Act of 1931, as the United Water Conservation District, to recognize the projected population growth within the District and the need for a reliable water source. The Santa Clara Water Conservation District was then dissolved and the assets transferred to the District. This allowed the District to issue bonds in order to raise funding for construction of the Santa Felicia Dam (SFD), creating Lake Piru and other conservation facilities. The District is divided into seven divisions and is governed by an elected seven-member Board of Directors, serving four-year staggered terms.

The District covers approximately 214,000 acres in central Ventura County, California. The District administers a "basin management" program for the sub-basins that make up the Santa Clara River Valley Basin, utilizing the Santa Clara River and its tributaries for replenishment of groundwater.

The District's facilities include the Santa Felicia Dam, Lake Piru and Lake Piru Recreation Area, Saticoy, El Rio and Piru groundwater recharge facilities, the Freeman Diversion, the Saticoy Well Field, the Pleasant Valley, Oxnard-Hueneme and Pumping Trough delivery systems (pipelines) that include wells, treatment facilities, reservoirs and booster pumping stations.

The District's mission is to *manage, protect, conserve and enhance the water resources of the District and produce a reliable and sustainable supply of groundwater for the reasonable and beneficial use of all users.* This mission statement is the foundation of the District's Strategic Plan Framework which provides the overall policy direction for District staff to manage and prioritize its programs and activities.

The Board adopts the District's annual operating and capital improvement budget by no later than June 30th for the upcoming fiscal year (July 1 through June 30). The budget is prepared by staff on a fund, department, account and project basis in order to proportionally allocate costs to the District's primary cost centers (funds) and submitted to the Board in a fund-account presentation with a detailed discussion of the proposed budget, which is reviewed and deliberated on from approximately May 1 until the public hearing in June when the spending plan is adopted.

Local Economy

The District is located in the center of Ventura County, a county with a strong economic base with a large and diverse labor pool. The area includes major industries: agriculture, biotechnology, telecommunications and advanced technologies, manufacturing, tourism, and military testing and development. The Port of Hueneme (which is located within the boundaries of the District) is the State's smallest port, but it is the only deep-water port between Los Angeles and San Francisco and plays a significant role in the local economy.

Some of the best soil in the nation for agriculture production resides within Ventura County. According to the latest Ventura County Agricultural Commission Crop and Livestock Report, the gross crop value for calendar year 2018 was $2.1 billion, approximately $4.2 million more than 2017, representing a 0.2% increase. Within the District boundaries, agriculture remains especially important along the coastal Oxnard Plain and the interior Santa Clara Valley communities of Santa Paula, Fillmore and Piru.

Economic Indicators for Ventura County show continued signs of an underperforming economy. 2018 was the third continuous year with low or negative GDP growth. County wide population decreased for the first time in history for which data is available, by 0.1% between January 2018 (857,415) and January 2019 (856,498) according to the California Department of Finance. The unemployment rate for December 2018 was 3.8%, which not only improved by 0.2 percentage points over the prior year figure driven by a contraction in the labor force. According to the Ventura County Star, home sales for the year ending in June 2019 increased 6.2%, while there was no change in the median home price in that period.

In FY 2018-19, property assessment for the County increased 4.41% as compared to FY 2017-18. The County Assessor's Office announced that in FY 2019-20, countywide property tax assessments will increase 4.7%, which will have a positive impact on the District's General Fund.

Short and Long-term Financial Planning Outlook

In FY 2018-19, the District issued no new debt, however, some new debt may be needed in FY 2019-20 to fund various capital improvement projects. The capital improvement projects completed in FY 2018-19 were, the purchase of a new District headquarters building in Oxnard, replacement of an Oxnard Hueneme Pipeline well and improvements at the Lake Piru recreation area.

In FY 2018-19, the District completed an administrative draft of a Multiple Species Habitat Conservation Plan (MSHCP), the most significant component necessary for Endangered Species Act (ESA) permitting for the Freeman Diversion facility. (However, a court order required further assessment of alternative fish passage structures) District staff and consultants continued work with other agencies finalizing the HCP through a live-edit process. Much of their time focused on working with NOAA fisheries, US Fish and Wildlife and California Department of Fish and Wildlife.

In October 2018 a federal judge issued an order in Wishtoyo et al vs UWCD litigation. The order prescribed a process to reach a decision on design of the fish passage structure at Freeman, as well as the deadlines for completing the work. The order also prescribes diversion operations and in-stream or migration flows downstream of the Freeman Diversion until UWCD can obtain an incidental take permit.

During FY 2018-19, the District continued work to remediate the spillway capacity and overtopping risk during a Probable Maximum Flood (PMF) event at the SFD. The evaluation study was required by the Federal Energy Regulatory Commission (FERC) and California Division of Safety of Dams (DSOD) to address deficiencies identified in the PMF studies. Consultants were hired to perform the evaluation of the alternatives. A series of proposed flood remediation projects that would reduce the risk to people and property below Santa Felicia Dam were presented to the FERC and DSOD. With the regulators acceptance of an inflow design flood of 220,000 cubic feet per second (cfs) as the level of risk reduction for the design, the District awarded a contract for the design of the spillway improvements based on the 220,000 cfs inflow in May 2016. The District has convened an independent Board of Consultants (BOC) to provide oversight and quality assurance of the project design and construction. In parallel with the design, a consulting team is working to prepare the necessary environmental documents for the projects to comply with the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA).

In March 2019, the District retained consultants to advance the design of the dam improvement alternatives recommended by the BOC in 2018. The project is currently under 10% design with a combined contract amount of $1.04M. The 10% design documents and additional assessment are expected to be completed in March 2020. The District is also finalizing the NEPA documentation and FERC's non-capacity license amendment application with support of environmental consultants for a total contract amount of $381,000. This process is expected to be finalized by November 2020.

The District continued efforts to comply with the environmental requirements contained in its license issued by the Federal Energy Regulatory Commission (FERC) for the Santa Felicia Project (Project) throughout FY 2018-19. Compliance activities included implementation of approved resource protection plans (Water Release Plan; the Soil, Erosion and Sediment Management Plan; the Herpetological Monitoring Plan; the Vegetation and Noxious Weed Management Plan; the Land Resource Management; and the Dissolved Oxygen Management Plan), and consultation with regulatory agencies to satisfy remaining outstanding requirements. During FY 2018-19, the District implemented the first phase of a three-year scientific study to inform decisions regarding the feasibility of providing fish passage at the Santa Felicia Dam.

While recreation is not part of the core operation of the District, providing public access to, and recreational facilities at, Lake Piru is a requirement of the permit that was issued as part of the construction of the Santa Felicia Dam in 1955. The District currently operates these facilities though an agreement with an onsite recreation concessions service and provides District support staff to oversee those operations and maintain facilities. The concessions service, Parks Management Company (PMC), who entered into an agreement with the District on January 1, 2014, has focused on establishing consistent services and enhancing the facilities. On February 15, 2017, the District approved a contract revision with PMC. Under the new agreement terms, PMC collects all revenues and bills the District for all expenses, including up to a 15% profit margin, not covered by the revenues collected. In the event revenues exceed expenses, the District is entitled to all revenues above the monthly expense, less the 15% profit margin. The additional projected annual cost to the District, under the new agreement, ranges from $350,000 to $450,000.

In December 2013, the District discovered the invasive species quagga mussels in the District's Lake Piru. In FY 2018-19, quagga mussels continued to be a topic of concern for the District. The District is developing a Lake Piru Quagga Mussel Monitoring and Control Plan. In September 2018, United submitted an eighth revision of the plan to California Department of Fish and Wildlife (CDFW). CDFW responded that the plan remains non-compliant. In FY 2018-19, the District is continuing the process of developing a plan that CDFW can approve. In March 2019, UWCD applied to California Department of Pesticides for a special local need permit to allow treatment of Lake Piru with a copper molluscicide with the goal of extreme population control aimed at eradication. In FY 2018-19, the District continued and expanded its comprehensive monitoring program, consistent with the draft plan for Lake Piru and the larger watershed. Additionally, the District contracted scientific dive teams to conduct physical removal efforts from infrastructure in the lake. The District will continue dedicating resources to aid in managing the quagga mussel infestation, including implementing various control and potential eradication measures, and to maintain compliance with state and federal law pertaining to invasive species.

In FY 2018-19-, the District continued to mount a defense in the lawsuits filed by the City of San Buenaventura ("Ventura") over groundwater extraction rates approved by the Board for FY 2011-12 through FY 2015-16. A new action was recently filed by Ventura challenging the extraction rates approved for FY 2019-20. The District filed an appeal of the Santa Barbara Superior Court's September 6, 2013 decision ordering the District to pay the City a partial refund of groundwater extraction fees from FY 2011-12 and FY 2012-13. The Court of Appeal issued its decision and found in favor of the District. The City appealed the case to the State Supreme Court, which heard the case in September 2017. The Supreme Court issued a published decision on December 4, 2017. In the decision, the Supreme Court affirmed the conclusion of the Court of Appeal that the groundwater extraction charges are not property related, but remanded the remainder of the matter to the Court of Appeal with instructions to consider whether the record sufficiently establishes that the District's rates for the 2011–2012 and the 2012–2013 water years bore a reasonable relationship to the burdens on or the benefits of its conservation activities. Thereafter, the Court of Appeal remanded the matter back to the Superior Court with instructions to remand the matter back to the District to allow the District the opportunity to supplement the administrative record. In the meantime, the Superior Court has stayed the challenges to the District's extraction rates for FY 2013-14, FY 2014-15 and FY 2019-20.

On June 2, 2016, the Wishtoyo Foundation, its Ventura Coastkeeper Program, and the Center for Biological Diversity ("Plaintiffs") filed a complaint for declaratory and injunctive relief with the US District Court, Central District of California. The complaint alleges that the District's operation and maintenance of the Freeman Diversion results in unauthorized take of federally protected fish and avian species in violation of the federal Endangered Species Act (ESA). The District Court conducted trial in December 2017 and January 2018. On October 4, 2018 the District Court entered a Judgment and Permanent Injunction in favor of Plaintiffs. An Amended Judgment and Permanent Injunction ("Amended Judgment") was entered on December 1, 2018, which vacated and superseded the October 4, 2018 Judgment and Permanent Injunction. Thereafter, the District Court issued an Order Awarding Attorney's Fees and Costs to Plaintiffs ("Order") in the amount of $3,220,303.01. The District has filed an Appeal of the Amended Judgment and of the Order, and stayed enforcement of the Order until after conclusion of the Appeal.

The District continues to face some significant, but unknown, costs both in the short and long term. Compliance with environmental and regulatory mandates are the largest expected impacts while rehabilitation and/or replacement of aging infrastructure will be necessary to prevent operational impacts. Moving forward as the required actions become clear, the District will need to determine how to finance the identified capital projects and their associated costs.

The extended drought conditions have highlighted the need to capture and store water when available. It is abundantly clear that management of a sustainable water supply is critical to the long-term economic viability of the region. Finding solutions to meet the region's water needs must be achieved through coordinated efforts amongst the region's leading water agencies. United Water Conservation District remains committed to optimizing its resources to bring solutions that benefit its constituents.

<u>Relevant Financial Policies</u>

The District has written detailed financial policies for:

- Reserves
- Investments
- Budget Amendments
- Budget Submittal/Preparation
- Procurement
- Expense Reimbursement (Includes Disclosure of Government Code Section 53065.5)
- Capital Assets
- Vehicle and Equipment Replacement and Maintenance
- Engineering Projects and Contract Administration
- Records Management Retention and Destruction
- Fraud Prevention/Detection
- Environmental Activity Cost Allocation
- Disposition of Surplus Assets
- Accounts Receivables and Write-offs
- Debt Management
- Auditor Rotation & Selection
- Employee Recognition
- Groundwater Well Registration and Inactive Wells
- Identity Theft Prevention
- Verification of Groundwater Production Statement

Major Issues/Challenges

As discussed in the section entitled “Short and Long-Term Financial Planning”, the District faces some substantial financial challenges and uncertainties as a result of:

- Section 10 Endangered Species Act compliance for the operation of the Freeman Diversion.
- Section 7 Endangered Species Act and FERC mandate compliance for the operation of the Santa Felicia Dam.
- FERC and DSOD expected requirements for modifications of the SFD spillway and possibly the dam’s parapet wall after analysis of a series of proposed alternative flood remediation projects (PMF/PMP).
- Aging and structural deficiencies in existing infrastructure that must be rehabilitated to continue on-going operations related to the District’s water conservation requirements.
- A lawsuit filed against the District by the Wishtoyo Foundation.
- A lawsuit filed against the District by the City of San Buenaventura.
- The quagga mussel infestation and operational challenges of the recreation activities at Lake Piru.

Conclusion

Despite the many challenges, the District remains optimistic and committed to fulfilling its mission of managing, conserving and enhancing the region’s water supply in the most efficient, cost effective and environmentally balanced manner. The District will pull from its professional staff and resources to strategically and collaboratively address each challenge while seizing every opportunity to positively impact the region’s water resources. Some foreseeable opportunities and solutions are within the areas of recycled water use, desalted groundwater technology, state-water deliveries, as well as increased storage and recharge capacity.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Staff believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for their certificate.

Acknowledgements

We would like to thank the entire staff (in particular the Finance Division) for their contributions and assistance in the preparation of this year's Comprehensive Annual Financial Report. We would also like to recognize the efforts of the District's auditors, Rogers, Anderson, Malody and Scott, CPAs. Finally, to the Board of Directors, sincere appreciation for its innovative leadership, and the latitude and support in maintaining a sound financial system that includes integrity, reliability and appropriate technical support, without which this report could not be prepared.

We would like to assure the Board that its dedicated staff embraces the mission of the District and pursues continuous improvements to our operations, while remaining fiscally responsible and accountable to all those whom we serve.

Respectfully submitted,

Mauricio E. Guardado, Jr.
General Manager

Joseph Jereb
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

United Water Conservation District

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

UNITED WATER CONSERVATION DISTRICT

LIST OF PRINCIPAL OFFICIALS
FOR
FISCAL YEAR ENDED JUNE 30, 2019

BOARD OF DIRECTORS

Daniel C. Naumann, President
Representing Division 6

Michael W. Mobley, Vice President
Representing Division 2

Bruce E. Dandy, Secretary/Treasurer
Representing Division 5

Sheldon G. Berger, Board Member
Representing Division 7

Edwin T. McFadden III, Board Member
Representing Division 1

Lynn E. Maulhardt, Board Member
Representing Division 4

Robert Eranio, Board Member
Representing Division 3

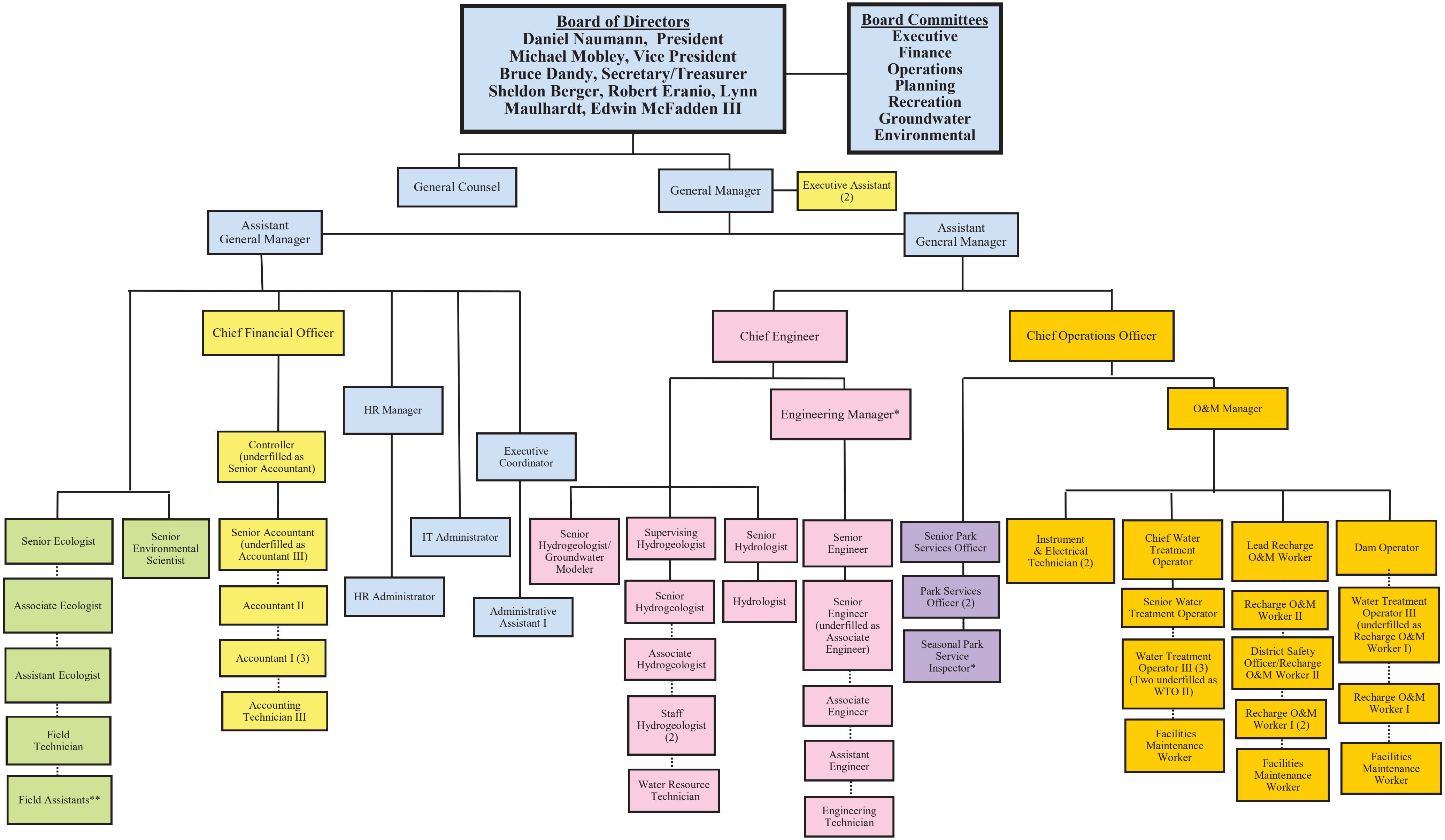
EXECUTIVE MANAGEMENT

Mauricio E. Guardado Jr., General Manager
David D. Boyer, Legal Counsel

Organizational Chart

United Water
CONSERVATION DISTRICT

June 2019



* Position budgeted for seven months of FY 18-19
** Temporary, extra help or seasonal positions, as needed

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Directors of
United Water Conservation District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of United Water Conservation District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the Net OPEB Liability and Related Ratios, the Schedule of OPEB Plan Contributions, budgetary comparison information, the Schedule of the District's Proportionate Share of the Plans' Net Pension Liability and Related Ratios as of the Measurement Date, and the Schedule of the Pension Plan Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 6, 2019

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As management of United Water Conservation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – vii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $96,416,420 (*net position*). Of this amount, $19,363,922 represents unrestricted net position, which may be used to meet the government's ongoing obligations to constituents and creditors.

- The District's total net position increased $3,413,936 from the prior fiscal year's net position due to delays in project expenses.

- At the close of the current fiscal year, the District's governmental funds reported combined fund balances of $22,606,221, a decrease of $2,540,079 in comparison with the prior year. Approximately 49% of this amount $11,079,210 is available for spending at the government's discretion (*unassigned fund balance*).

- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned*, and *unassigned* components of *fund balance)* for the General Fund was $18,901,973 or approximately 107% of total General Fund expenditures of $17,622,364.

- The District's total long-term liabilities decreased by $1,049,246 during the current fiscal year due to debt service payments.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the District include water conservation, Lake Piru recreational facilities, State Water project importation, interest on long-term debt, and general and administrative. The business-type activities of the District include Freeman diversion facility and water delivery and treatment facilities.

The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a governments near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and State Water Import fund (special revenue fund), which are considered to be major funds.

The District adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses enterprises funds to account for its Freeman Diversion fund, Oxnard-Hueneme Pipeline fund, Pleasant Valley Pipeline fund, and Pumping Trough Pipeline fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Freeman Diversion fund, Oxnard-Hueneme Pipeline fund, Pleasant Valley Pipeline fund, and Pumping Trough Pipeline fund, all of which are considered to be major funds of the District.

The basic proprietary fund financial statements can be found on pages 22-27 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-76 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District. Required supplementary information can be found on pages 77-83 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a governments' financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by $96,416,420, at the close of the most recent fiscal year.

District's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 23,709,807	$ 25,898,456	$ 10,666,773	$ 12,413,920	$ 34,376,580	$ 38,312,376
Capital assets	43,344,828	38,996,798	46,393,994	42,972,083	89,738,822	81,968,881
Total Assets	67,054,635	64,895,254	57,060,767	55,386,003	124,115,402	120,281,257
Total Deferred Outflows of Resources	2,120,258	3,113,213	1,213,482	1,781,774	3,333,740	4,894,987
Other liabilities	1,223,638	878,000	1,659,486	919,910	2,883,124	1,797,910
Long term liabilities						
Due in one year	1,207,102	1,183,119	373,247	381,511	1,580,349	1,564,630
Due in more than one year	20,346,612	22,046,680	4,866,281	5,590,276	25,212,893	27,636,956
Total Liabilities	22,777,352	24,107,799	6,899,014	6,891,697	29,676,366	30,999,496
Total Deferred Inflows of Resources	862,641	746,833	493,715	427,431	1,356,356	1,174,264
Net Position:						
Net investment in capital assets	30,045,354	24,893,004	44,998,978	41,401,687	75,044,332	66,294,691
Restricted	2,008,166	1,988,436	-	-	2,008,166	1,988,436
Unrestricted	13,481,380	16,272,395	5,882,542	8,446,962	19,363,922	24,719,357
Total Net Position	$ 45,534,900	$ 43,153,835	$ 50,881,520	$ 49,848,649	$ 96,416,420	$ 93,002,484

The largest portion of the District's net position (78%) reflects its investment in capital assets (e.g., land, construction in progress, dams, structures and improvements, equipment and intangibles), less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide a variety of services to its customers. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $19,363,922 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

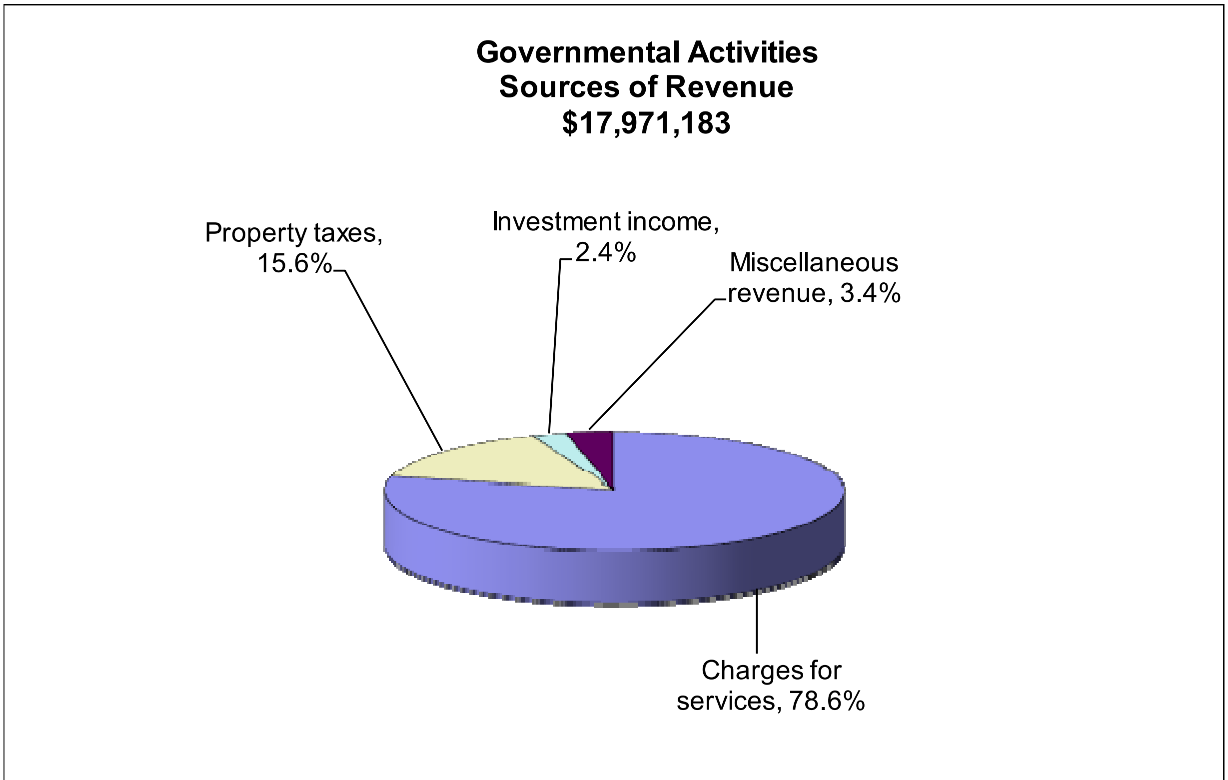
At the end of the current fiscal year, the District is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

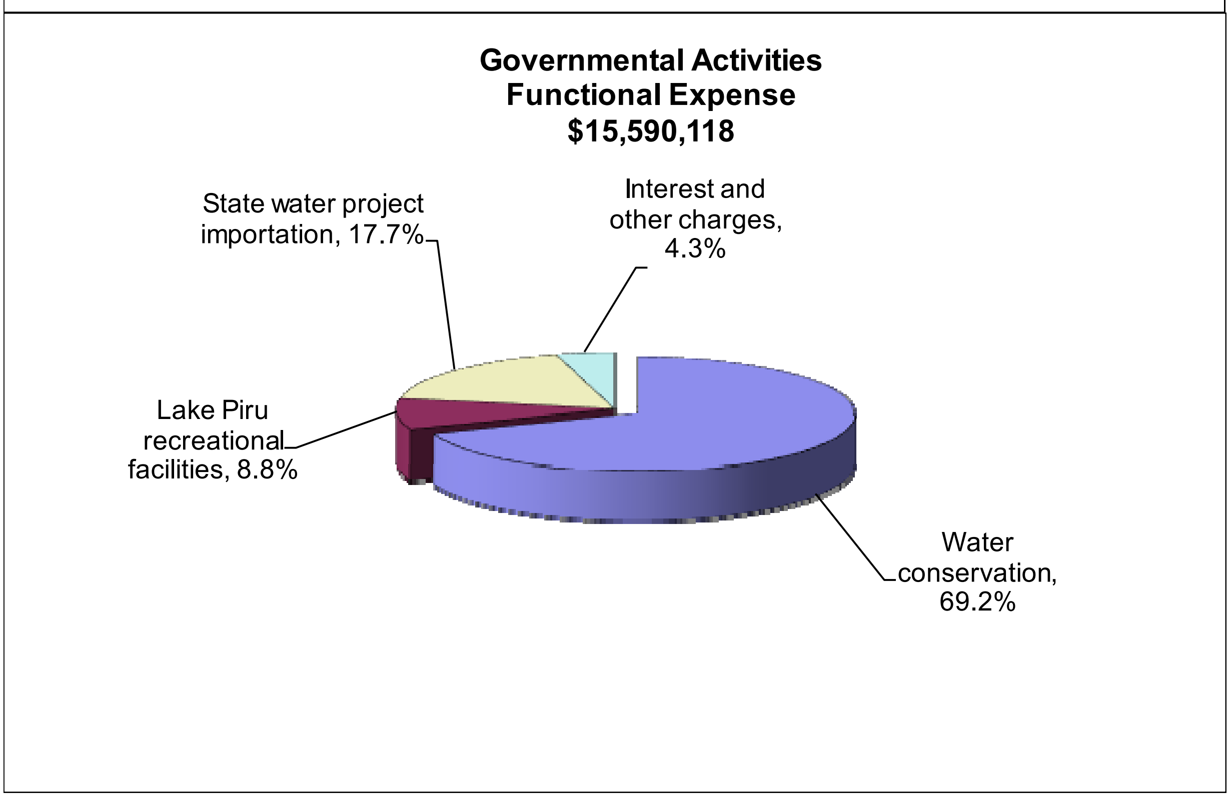
The District's overall net position increased by $3,413,936 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

District's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	$ 14,122,620	$ 14,436,725	$ 10,060,570	$ 11,070,231	$ 24,183,190	$ 25,506,956
Operating grants and contributions	-	60,500	-	-	-	60,500
General revenues:						
Property taxes	2,808,174	2,633,886	-	-	2,808,174	2,633,886
Investment income, unrestricted	430,225	236,531	288,728	128,617	718,953	365,148
Miscellaneous revenue	610,164	301,447	-	-	610,164	301,447
Gain on sale of assets	-	-	(161,104)	-	(161,104)	-
Total revenues	17,971,183	17,669,089	10,188,194	11,198,848	28,159,377	28,867,937
Expenses						
Water conservation	10,790,119	9,829,820	-	-	10,790,119	9,829,820
Lake Piru recreational facilities	1,366,763	1,468,837	-	-	1,366,763	1,468,837
State water project importation	2,767,056	1,685,033	-	-	2,767,056	1,685,033
Freeman diversion facility	-	-	3,286,604	3,814,061	3,286,604	3,814,061
Water delivery and treatment facilities	-	-	5,868,719	6,044,131	5,868,719	6,044,131
Interest on long-term debt	666,180	699,319	-	-	666,180	699,319
Total expenses	15,590,118	13,683,009	9,155,323	9,858,192	24,745,441	23,541,201
Excess before transfers	2,381,065	3,986,080	1,032,871	1,340,656	3,413,936	5,326,736
Transfers	-	55,186	-	(55,186)	-	-
Change in Net Position	2,381,065	4,041,266	1,032,871	1,285,470	3,413,936	5,326,736
Beginning Net Position, as Restated	43,153,835	39,112,569	49,848,649	48,563,179	93,002,484	87,675,748
Ending Net Position	$ 45,534,900	$ 43,153,835	$ 50,881,520	$ 49,848,649	$ 96,416,420	$ 93,002,484

Governmental Activities. During the current fiscal year, net position for governmental activities increased $2,381,065 from the prior fiscal year for an ending balance of $45,534,900. The increase in net position was primarily due to increased assessments for the State Water Import Program, increased investment and rental income as well as lower-than-budgeted operating expenses.


Governmental Activities
Sources of Revenue
$17,971,183
Property taxes, 15.6%
Investment income, 2.4%
Miscellaneous revenue, 3.4%
Charges for services, 78.6%


Governmental Activities
Functional Expense
$15,590,118
State water project importation, 17.7%
Interest and other charges, 4.3%
Lake Piru recreational facilities, 8.8%
Water conservation, 69.2%

Business-type Activities. During the current fiscal year, net position for business-type activities increased $1,032,871 from the prior fiscal year balance, for an ending balance of $50,881,520.

Financial Analysis of Governmental Funds
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board.

As of June 30, 2019, the District's governmental funds reported combined fund balances of $22,606,221, a decrease of $2,540,079 in comparison with the prior year. Approximately 49% of this amount ($11,079,210) constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form $115,320, 2) restricted for particular purposes $3,588,928, or 3) committed or assigned for specific purposes $7,822,763.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $11,079,210 while total fund balance decreased to $19,871,439. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 63% of total General Fund expenditures, while total fund balance represents approximately 113% of that same amount.

General Fund		
Fund balance:		
Nonspendable	$	115,320
Restricted		854,146
Committed		2,103,925
Assigned		5,718,838
Unassigned		11,079,210
Total fund balance	$	19,871,439

The fund balance of the District's General Fund decreased by $2,471,852 during the current fiscal year. The decrease was due to the purchase of the District headquarters building in Oxnard.

The State water import fund, the remaining major governmental fund, had a decrease in fund balance during the current year of $68,227 to bring the year end fund balance to $2,734,782. The decrease essentially results from the decrease special assessment revenue for water acquisition and State Water Project allocations of less than 100% the last several years offset by the purchase of Article 21 supplemental water.

Proprietary Funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Freeman Diversion Fund at the end of the year was $3,440,627. The decrease in net position for the fund was $8,272, to bring the year end net position to $31,429,959.

Unrestricted net position of the Oxnard-Hueneme Pipeline fund at the end of the year was $1,795,758. The increase in net position for the fund was $829,641 to bring the year end net position to $11,127,615. The increase in net position for the fund results from higher than planned revenues and lower expenses, in particular, lower utilities due to usage efficiencies.

Unrestricted net position of the Pleasant Valley Pipeline fund at the end of the year was $348,423. The increase in net position for the fund was $78,003 to bring the year end net position to $2,778,163. The increase in net position for the fund results from a decrease in the District's net pension liability as well as lower expenses, offset by increases in current liabilities.

Unrestricted net position of the Pumping Trough Pipeline fund at the end of the year was $297,734. The increase in net position for the fund was $133,499, to bring the year end net position to $5,545,783. The increase in net position is driven primarily by decreases in pension liabilities.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year the original estimated revenues were amended to account for lower that anticipated groundwater pumping and water delivery activity as a result of wetter and more mild weather conditions. Investment earnings estimates were increased due to rising interest rates during the fiscal year. Expenditure appropriations were also modified during the year to include prior year carry-over appropriations and to allocate additional funding for retirement and post-retirement costs, contractual services and office expense.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Groundwater revenue was under budget of the revised projections by $773,000 as a result of underestimating the amount of budget adjustment that was needed due to the particularly wet winter 2019 which reduced demand for groundwater.

A review of actual expenditures compared to the appropriations in the final budget yields only a few significant variances. Actual personnel costs were lower than projected ($621,304) as result of staff vacancies as well as less staff time dedicated to Water Conservation activities and more staff time dedicated to business-type activities. Actual contractual services expenditures were below budget ($1,438,791) as a result of delays in various projects. Lastly, actual maintenance expenditures came below budgeted appropriations ($236,173) partially due to delays in maintenance projects. Approximately 30% of these unexpended allocations will be carried forward into FY 2019-20.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to $89,738,822 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, dams, structures and improvements, equipment, and intangibles. The total increase in capital assets for the current fiscal year was approximately 9%.

District's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 17,821,115	$ 16,919,430	$ 1,863,151	$ 1,220,855	$ 19,684,266	$ 18,140,285
Construction in progress	7,431,471	6,409,609	5,776,650	3,980,456	13,208,121	10,390,065
Dams	1,961,144	2,017,989	22,455,235	22,730,237	24,416,379	24,748,226
Structures & Improvements	13,796,216	10,889,809	15,652,852	14,522,479	29,449,068	25,412,288
Equipment	1,072,938	1,041,113	646,106	518,056	1,719,044	1,559,169
Intangibles	1,261,944	1,718,848	-	-	1,261,944	1,718,848
	$ 43,344,828	$ 38,996,798	$ 46,393,994	$ 42,972,083	$ 89,738,822	$ 81,968,881

The increase in Structures and Improvements of $4,036,780 is due to the purchase of the new District headquarters on Lombard St. in Oxnard. The increase to construction in progress was primarily related to the Santa Felicia Dam improvements, Freeman Diversion rehabilitation, Park Services Officer Facility replacement, Lake Piru asphalt repairs, and the Pumping Trough Pipeline turnout metering projects. Various construction in progress projects related to the Piru solar project and the recycled water program at a cost of $161,104 were reclassified as expenses and presented as loss on disposal. These projects were deemed not viable during the planning and design phase of the project.

Additional information on the District's capital assets can be found in Note 4 on pages 44-45 of this report.

Long-term Debt. The District's long-term liabilities at the end of the year were $17,152,930. This represents a decrease of $1,049,246, or 5.8%. Significant changes related to the paydown of bonds payable.

An overview of long-term liabilities is presented below.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Obligation under State Water Project	$ 1,580,762	$ 1,665,815	$ -	$ -	$ 1,580,762	$ 1,665,815
Bonds payable:						
2001B Revenue bonds	76,175	99,119	338,825	440,881	415,000	540,000
2005B Revenue bonds	4,518,039	4,798,452	1,066,961	1,141,548	5,585,000	5,940,000
2009 Certificates of Participation	8,675,000	9,175,000	-	-	8,675,000	9,175,000
Plus (less) deferred amounts:						
Bond premiums	69,580	73,059	-	-	69,580	73,059
Bond discounts	(39,320)	(41,836)	(10,770)	(12,033)	(50,090)	(53,869)
Total bonds payable	13,299,474	14,103,794	1,395,016	1,570,396	14,694,490	15,674,190
Compensated absences	542,240	524,119	335,438	338,052	877,678	862,171
Total long-term liabilities	$ 15,422,476	$ 16,293,728	$ 1,730,454	$ 1,908,448	$ 17,152,930	$ 18,202,176

Additional information on the District's long-term liabilities can be found in Note 9 on pages 60-64 of this report. The 2001B Revenue Bonds and 2005B Revenue Bonds are rated AAA by Standards & Poor's Ratings Group and there have been no changes in the credit ratings. The 2009 Certificates of Participation are rated AA by Standards & Poor's Ratings Group and there have been no changes in the credit ratings.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the District and were considered in developing the 2019-20 fiscal year budget.

- Modifications to the District's current fees and charges schedule.
- A small increase in groundwater extraction activity.
- Modest increases in the taxable assessed value as a percentage of estimated actual value and resulting increases in property assessments will continue to affect the District's real property tax base.
- Interest rates are expected to fall moderately throughout fiscal year 2019-20.
- Cost of Living increases 2% for all District staff.
- Considerable designations are required to address aging infrastructure and regulatory compliance matters.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to United Water Conservation District, Chief Financial Officer, 106 N. 8th Street, Santa Paula, CA 93060.

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BASIC FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 15,076,635	$ 11,326,061	$ 26,402,696
Receivables:			
Accounts, net	4,871,459	1,793,974	6,665,433
Taxes	82,997	-	82,997
Interest	120,847	68,999	189,846
Prepaid items	149,423	32,039	181,462
Internal balances	2,554,300	(2,554,300)	-
Total current assets	22,855,661	10,666,773	33,522,434
Noncurrent assets:			
Restricted cash and investments	854,146	-	854,146
Capital assets:			
Nondepreciable	25,252,586	7,639,801	32,892,387
Depreciable, net	18,092,242	38,754,193	56,846,435
Total capital assets	43,344,828	46,393,994	89,738,822
Total noncurrent assets	44,198,974	46,393,994	90,592,968
Total Assets	67,054,635	57,060,767	124,115,402
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	2,010,826	1,150,850	3,161,676
OPEB related	109,432	62,632	172,064
Total Deferred Outflows of Resources	2,120,258	1,213,482	3,333,740
LIABILITIES			
Current liabilities:			
Accounts payable	747,986	1,513,274	2,261,260
Deposits	71,877	-	71,877
Accrued interest payable	154,155	30,227	184,382
Accrued wages and benefits	222,681	115,985	338,666
Due to other governments	7,574	-	7,574
Unearned revenue	19,365	-	19,365
Current portion of long-term debt	1,207,102	373,247	1,580,349
Total current liabilities	2,430,740	2,032,733	4,463,473
Noncurrent liabilities:			
Net pension liability	6,082,926	3,481,423	9,564,349
Net OPEB liability	48,312	27,651	75,963
Long-term debt, net of current portion	14,215,374	1,357,207	15,572,581
Total noncurrent liabilities	20,346,612	4,866,281	25,212,893
Total Liabilities	22,777,352	6,899,014	29,676,366
DEFERRED INFLOWS OF RESOURCES			
Pension related	861,556	493,095	1,354,651
OPEB related	1,085	620	1,705
Total Deferred Inflows of Resources	862,641	493,715	1,356,356
NET POSITION			
Net investment in capital assets	30,045,354	44,998,978	75,044,332
Restricted for:			
Debt covenants	854,146	-	854,146
State Water Import	1,154,020	-	1,154,020
Unrestricted	13,481,380	5,882,542	19,363,922
Total Net Position	$ 45,534,900	$ 50,881,520	$ 96,416,420

The accompanying notes are an integral part of these financial statements.

Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:					
Governmental activities:					
Water conservation	$ 8,682,669	$ 2,107,450	$ 11,299,165	$ -	$ -
Lake Piru Recreational facilities	1,231,811	134,952	2,784	-	-
State Water Project importation	2,767,056	-	2,820,671	-	-
Interest on long-term debt	666,180	-	-	-	-
General and administrative	3,923,027	(3,923,027)	-	-	-
Total governmental activities	17,270,743	(1,680,625)	14,122,620	-	-
Business-type activities:					
Freeman Diversion facility	2,691,481	595,123	3,265,689	-	-
Water delivery and treatment facilities	4,783,217	1,085,502	6,794,881	-	-
Total business-type activities	7,474,698	1,680,625	10,060,570	-	-
Total Primary Government	$ 24,745,441	$ -	$ 24,183,190	$ -	$ -

General Revenues:
- Property taxes
- Investment income, unrestricted
- Miscellaneous revenue
- Loss on disposal of assets

Total General Revenues

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ 509,046	$ -	$ 509,046
(1,363,979)	-	(1,363,979)
53,615	-	53,615
(666,180)	-	(666,180)
-	-	-
(1,467,498)	-	(1,467,498)
-	(20,915)	(20,915)
-	926,162	926,162
-	905,247	905,247
(1,467,498)	905,247	(562,251)
2,808,174	-	2,808,174
430,225	288,728	718,953
610,164	-	610,164
-	(161,104)	(161,104)
3,848,563	127,624	3,976,187
2,381,065	1,032,871	3,413,936
43,153,835	49,848,649	93,002,484
$ 45,534,900	$ 50,881,520	$ 96,416,420

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund: State Water Import Fund	Total Governmental Funds
ASSETS			
Cash and investments	$ 12,361,623	$ 2,715,012	$ 15,076,635
Receivables:			
Accounts, net	4,870,436	1,023	4,871,459
Taxes	69,705	13,292	82,997
Interest	98,096	22,751	120,847
Advances to other funds	2,554,300	-	2,554,300
Restricted cash and investments	854,146	-	854,146
Prepaid items	115,320	-	115,320
Total Assets	$ 20,923,626	$ 2,752,078	$ 23,675,704
LIABILITIES			
Accounts payable	$ 730,690	$ 17,296	$ 747,986
Deposits	71,877	-	71,877
Accrued wages and benefits	222,681	-	222,681
Unearned revenue	19,365	-	19,365
Due to other governments	7,574	-	7,574
Total Liabilities	1,052,187	17,296	1,069,483
FUND BALANCES			
Nonspendable	115,320	-	115,320
Restricted	854,146	2,734,782	3,588,928
Committed	2,103,925	-	2,103,925
Assigned	5,718,838	-	5,718,838
Unassigned	11,079,210	-	11,079,210
Total Fund Balances	19,871,439	2,734,782	22,606,221
Total Liabilities and Fund Balances	$ 20,923,626	$ 2,752,078	$ 23,675,704

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2019

Fund balances of governmental funds	$ 22,606,221
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:	
Capital assets	69,704,210
Accumulated depreciation	(26,359,382)
Certain prepaid insurance costs associated with the issuance of long-term debt are amortized over the period which the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds.	34,103
Deferred inflows and outflows of resources are not reported in the governmental funds:	
Deferred inflows - pension related	(861,556)
Deferred inflows - OPEB related	(1,085)
Deferred outflows - pension related	2,010,826
Deferred outflows - OPEB related	109,432
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	(154,155)
Long-term liabilities were not due and payable in the current period. Therefore, they are not reported in the Governmental Funds Balance Sheet:	
Bonds payable	(13,269,214)
Obligation under State Water Project	(1,580,762)
Net pension liability	(6,082,926)
Compensated absences	(542,240)
Net OPEB liability	(48,312)
Bond premium	(69,580)
Bond discount	39,320
Net position of governmental activities	$ 45,534,900

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund State Water Import Fund	Totals
REVENUES			
Taxes	$ 2,808,174	$ -	$ 2,808,174
Special assessments	-	2,727,966	2,727,966
Charges for services	11,301,949	-	11,301,949
Earnings on investments	430,225	88,233	518,458
Other revenue	610,164	4,472	614,636
Total Revenues	15,150,512	2,820,671	17,971,183
EXPENDITURES			
Current:			
Water conservation	9,863,498	-	9,863,498
Lake Piru Recreation facilities	1,139,721	-	1,139,721
State Water Project importation	-	2,767,056	2,767,056
Capital outlay	5,179,642	-	5,179,642
Debt service:			
Principal	803,357	85,053	888,410
Interest	632,639	36,789	669,428
Bond fees and expenditures	3,507	-	3,507
Total Expenditures	17,622,364	2,888,898	20,511,262
Excess (Deficiency) of Revenues over Expenditures	(2,471,852)	(68,227)	(2,540,079)
Change in Fund Balances	(2,471,852)	(68,227)	(2,540,079)
Fund Balances, Beginning of Year	22,343,291	2,803,009	25,146,300
Fund Balances, End of Year	$ 19,871,439	$ 2,734,782	$ 22,606,221

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	$	(2,540,079)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.		
Depreciation expense		(1,196,639)
Capital outlay capitalized		5,544,669
The issuance of long-term debt provides current financial resources to governmental funds. This transaction, however, does not have an effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the issued statement of activities.		
Principal repayments		888,410
Change in prepaid bond insurance, premiums and discounts		(1,255)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences payable		(18,121)
Change in accrued interest payable		8,010
Governmental funds report all contributions in relation to the statutorily determined contribution (SDC) for Pensions and OPEB as expenditures, however, in the Statement of Activities, pension expense is actuarially determined and OPEB expense is based on the SDC.		
Change in pension related items		(329,163)
Change in OPEB obligation		25,233
Change in net position of governmental activities	$	2,381,065

Statement of Net Position
Proprietary Funds
June 30, 2019

ASSETS	Freeman Diversion	Oxnard-Hueneme Pipeline	Pleasant Valley Pipeline
Current assets:			
Cash and investments	$ 4,845,023	$ 4,156,574	$ 690,087
Receivables:			
Accounts, net	1,083,641	401,829	26,756
Interest	31,785	23,112	4,148
Prepaid items	5,485	19,071	1,020
Total current assets	5,965,934	4,600,586	722,011
Noncurrent assets:			
Capital assets:			
Nondepreciable	4,624,232	1,057,637	862,241
Depreciable, net	23,377,959	9,184,182	1,625,338
Total capital assets	28,002,191	10,241,819	2,487,579
Total noncurrent assets	28,002,191	10,241,819	2,487,579
Total Assets	33,968,125	14,842,405	3,209,590
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	330,396	538,432	73,983
OPEB related	17,981	29,303	4,026
Total Deferred Outflows of Resources	348,377	567,735	78,009
LIABILITIES			
Current liabilities:			
Accounts payable	786,375	536,835	23,718
Accrued interest payable	5,166	15,388	1,653
Accrued wages and benefits	40,240	49,598	7,168
Advances from other funds	156,080	149,800	31,100
Current portion of long-term debt	73,227	203,159	9,298
Total current liabilities	1,061,088	954,780	72,937
Noncurrent liabilities:			
Advances from other funds	624,320	599,200	124,400
Net pension liability	999,474	1,628,809	223,806
Net OPEB liability	7,938	12,937	1,778
Long-term debt, net of current portion	51,983	855,811	54,776
Total noncurrent liabilities	1,683,715	3,096,757	404,760
Total Liabilities	2,744,803	4,051,537	477,697
DEFERRED INFLOWS OF RESOURCES			
Pension related	141,562	230,698	31,699
OPEB related	178	290	40
Total Deferred Inflows of Resources	141,740	230,988	31,739
NET POSITION			
Net investment in capital assets	27,989,332	9,331,857	2,429,740
Unrestricted	3,440,627	1,795,758	348,423
Total Net Position	$ 31,429,959	$ 11,127,615	$ 2,778,163

The accompanying notes are an integral part of these financial statements.

Pumping Trough Pipeline	Total Proprietary Funds
$ 1,634,377	$ 11,326,061
281,748	1,793,974
9,954	68,999
6,463	32,039
1,932,542	13,221,073
1,095,691	7,639,801
4,566,714	38,754,193
5,662,405	46,393,994
5,662,405	46,393,994
7,594,947	59,615,067
208,039	1,150,850
11,322	62,632
219,361	1,213,482
166,346	1,513,274
8,020	30,227
18,979	115,985
110,380	447,360
87,563	373,247
391,288	2,480,093
759,020	2,106,940
629,334	3,481,423
4,998	27,651
394,637	1,357,207
1,787,989	6,973,221
2,179,277	9,453,314
89,136	493,095
112	620
89,248	493,715
5,248,049	44,998,978
297,734	5,882,542
$ 5,545,783	$ 50,881,520

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Freeman Diversion	Oxnard-Hueneme Pipeline	Pleasant Valley Pipeline
OPERATING REVENUES			
Charges for services	$ 3,165,940	$ 4,288,622	$ 322,812
Intergovernmental	50,000	-	-
Other operating revenues	49,749	199,641	10,097
Total Operating Revenues	3,265,689	4,488,263	332,909
OPERATING EXPENSES			
Salaries	461,682	622,719	11,738
Benefits	250,658	421,305	15,804
Utilities	8,082	894,542	4,284
Repairs and maintenance	130,881	304,727	21,872
Professional services	1,379,466	116,621	2,499
Other supplies and services	94,853	324,422	20,874
General and administrative	595,123	550,793	118,868
Depreciation	347,527	426,062	68,965
Total Operating Expenses	3,268,272	3,661,191	264,904
Operating Income (Loss)	(2,583)	827,072	68,005
NONOPERATING REVENUES (EXPENSES)			
Interest income	136,514	94,081	16,566
Loss on disposal of assets	(123,871)	(28,003)	(240)
Bond fees and expenses	(127)	(2,929)	(158)
Interest expense	(18,205)	(60,580)	(6,170)
Total Nonoperating Revenues (Expenses)	(5,689)	2,569	9,998
Income (loss) before transfers	(8,272)	829,641	78,003
Change in Net Position	(8,272)	829,641	78,003
Net Position, Beginning of Year	31,438,231	10,297,974	2,700,160
Net Position, End of Year	$ 31,429,959	$ 11,127,615	$ 2,778,163

Pumping Trough Pipeline	Total Proprietary Funds
$ 1,772,425	$ 9,549,799
106,313	156,313
94,971	354,458
1,973,709	10,060,570
172,337	1,268,476
155,873	843,640
312,249	1,219,157
165,782	623,262
19,068	1,517,654
147,542	587,691
415,841	1,680,625
448,770	1,291,324
1,837,462	9,031,829
136,247	1,028,741
41,567	288,728
(8,990)	(161,104)
(925)	(4,139)
(34,400)	(119,355)
(2,748)	4,130
133,499	1,032,871
133,499	1,032,871
5,412,284	49,848,649
$ 5,545,783	$ 50,881,520

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Freeman Diversion	Oxnard-Hueneme Pipeline
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 2,330,685	$ 4,257,207
Payments to suppliers	(1,738,376)	(1,928,671)
Payments to employees	(667,127)	(984,623)
Grants	50,000	-
Other operating revenues	49,749	199,641
Net Cash Provided by Operating Activities	24,931	1,543,554
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(2,009,858)	(1,510,665)
Proceeds from advances	780,400	749,000
Principal payments	(3,899)	(118,963)
Interest payments	(13,341)	(59,289)
Net Cash Used for Capital and Related Financing Activities	(1,246,698)	(939,917)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	131,487	85,268
Net Cash Provided by Investing Activities	131,487	85,268
Net Increase (Decrease) in Cash and Cash Equivalents	(1,090,280)	688,905
Cash and Cash Equivalents - Beginning of Year	5,935,303	3,467,669
Cash and Cash Equivalents - End of Year	$ 4,845,023	$ 4,156,574
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (2,583)	$ 827,072
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	347,527	426,062
Changes in assets and liabilities:		
Accounts receivable, net	(835,255)	(31,415)
Deferred outflows of resources - pension	163,891	267,089
Deferred outflows of resources - OPEB	(741)	(1,209)
Accounts and other payables	470,029	262,434
Accrued wages and benefits	37,007	(12,888)
Deferred inflows of resources - pension	18,851	30,721
Deferred inflows of resources - OPEB	178	290
Net pension liability	(128,658)	(209,669)
Net OPEB liability	(45,315)	(14,933)
Net Cash Provided by Operating Activities	$ 24,931	$ 1,543,554
Schedule of non-cash capital and related financing activities:		
Disposal of CIP projects not deemed viable	$ 123,871	$ 28,003

The accompanying notes are an integral part of these financial statements.

Pleasant Valley Pipeline	Pumping Trough Pipeline	Total Proprietary Funds
$ 324,412	$ 1,789,945	$ 8,702,249
(145,648)	(1,018,674)	(4,831,369)
(34,290)	(354,082)	(2,040,122)
-	120,786	170,786
10,097	94,971	354,458
154,571	632,946	2,356,002
(229,811)	(1,124,005)	(4,874,339)
155,500	551,900	2,236,800
(4,886)	(48,895)	(176,643)
(5,336)	(31,964)	(109,930)
(84,533)	(652,964)	(2,924,112)
15,295	39,239	271,289
15,295	39,239	271,289
85,333	19,221	(296,821)
604,754	1,615,156	11,622,882
$ 690,087	$ 1,634,377	$ 11,326,061
$ 68,005	$ 136,247	$ 1,028,741
68,965	448,770	1,291,324
1,600	31,993	(833,077)
36,700	103,195	570,875
(166)	(467)	(2,583)
22,749	41,808	797,020
(3,405)	(29,031)	(8,317)
4,222	11,870	65,664
40	112	620
(28,809)	(81,011)	(448,147)
(15,330)	(30,540)	(106,118)
$ 154,571	$ 632,946	$ 2,356,002
$ 240	$ 8,990	$ 161,104

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Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The United Water Conservation District (the District) was formed in 1950 under the Water Conservation Act of 1931. An elected seven-member Board of Directors governs the District. The District's major operations, as a water conservation district, include groundwater recharge and monitoring and abatement of seawater intrusion that manifests along the coast while also protecting environmental needs.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

These financial statements present the District and its component unit, the United Water Conservation District Public Facilities Financing Authority. As defined by GASB, the financial reporting entity consists of the primary government, as well as component units, for which the District is considered to be financially accountable. The District is financially accountable if it appoints a voting majority of the organization’s governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the District.

The United Water Conservation District Public Facilities Financing Authority (PFFA) was established in 1993 to construct, acquire, maintain and improve the public facilities and improvements within the District boundaries. The District's Board of Directors acts as the governing body of the PFFA. Although legally separate, the PFFA is blended into the General Fund, Freeman Diversion Fund, Oxnard-Hueneme Pipeline Fund, Pleasant Valley Pipeline Fund and the Pumping Trough Pipeline Fund. The PFFA does not issue separate financial statements.

B. Basic Financial Statements – District-Wide Statements

The District's basic financial statements include both district-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the district-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's water conservation, recreation facilities, state water import and general administrative services are classified as governmental activities. The Freeman diversion facility and the three pipeline water delivery and treatment facilities are classified as business-type activities, and are generally financed by fees charged to external parties for goods or services.

In the district-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basic Financial Statements – District-Wide Statements, (continued)

The district-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each function of the business-type activities of the District and for each program of the governmental activities. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses are allocated among the operating funds of the District based on an allocation plan approved by the Board of Directors. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. Inter-fund activity is eliminated in the governmental and business-type activities columns of the statement of activities.

C. Basic Financial Statements – Fund Financial Statements

Fund financial statements report detailed information about the District. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred outflows/inflows of resources, net position/fund balance, revenues and expenses/expenditures. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on major funds in either the governmental or business-type activities categories. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column. All of the District's governmental and proprietary funds were determined to be major funds at June 30, 2019.

The funds of the District are described below:

1. **Governmental Funds:**

   The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

   General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. Water conservation activities, recreational activities and general operating activities are accounted for in the General Fund. Generally, at the discretion of the Board of Directors, the District's groundwater extraction revenues fund the water conservation activities, and property tax revenues are used to first fund the District’s general operating activities and the recreational activities.

   The *State Water Import Fund* is a special revenue fund that accounts for voter approved property tax assessment that is legally restricted to expenditures for specified purposes and is determined annually based on the amount of state water the District intends to purchase.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basic Financial Statements – Fund Financial Statements, (continued)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. The Oxnard-Hueneme and Pumping Trough Pipeline Funds also recognize as operating revenue the fees, if any, intended to recover the cost of connecting new customers to the pipeline. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The following is a description of the proprietary funds of the District:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The Freeman Diversion Fund accounts for the resources and expenses for the operations, maintenance, improvements and debt service of the Freeman Diversion facilities. The structure diverts surface water from the Santa Clara River for groundwater recharge and pipeline water delivery for agricultural use to fight seawater intrusion caused by overdrafting groundwater basins throughout the District.

The Oxnard-Hueneme Pipeline Fund accounts for the resources and expenses for the operations, maintenance, improvements and debt service of the Oxnard-Hueneme pipeline. The District delivers potable water via pumped groundwater from the El Rio spreading grounds to the Oxnard and Port Hueneme areas for municipal and industrial and some agricultural usage.

The Pleasant Valley Pipeline Fund accounts for the resources and expenses for the operations, maintenance, improvements and debt service of the Pleasant Valley pipeline. The District diverts surface water at the Freeman Diversion Dam and transports it via the pipeline to the Pleasant Valley County Water District for agricultural use, which in turn reduces groundwater extraction at the coast that results in seawater intrusion.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basic Financial Statements – Fund Financial Statements, (continued)

2. **Proprietary Funds, (continued):**

   The Pumping Trough Pipeline Fund accounts for the resources and expenses for the operations, maintenance and improvements of the Pumping Trough Pipeline. The pipeline provides a combination of Santa Clara River surface water and Fox Canyon aquifer groundwater for agricultural use, which in turn reduces the advancement of seawater intrusion.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. **Accrual**

   Both governmental and business-type activities in the district-wide financial statements and the proprietary funds' financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Earned but unbilled amounts for services provided are accrued and included in accounts receivable and recognized as revenue.

2. **Modified Accrual**

   The governmental funds' financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenue available if collected within 60 days after year-end. The District considers interest, certain taxes, grant revenues, groundwater charges and water delivery charges to be susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less.

2. Investments

Investments are carried at fair value.

The District's Investment Policy authorizes investments in the State of California Local Agency Investment Fund, U.S. Government Securities generally limited to Treasury Bills, Treasury Notes, Bonds or other direct obligations of the U.S. Government, U.S. Agencies generally limited to issuances by a federal agency or a U.S. Government – sponsored enterprise Certificates of Deposit, Approved Bank Demand Deposit Accounts, Approved Bank Overnight Sweep Accounts, and Money Market Funds.

3. Receivables

The District's receivables consist of interest, certain taxes, grant revenues, groundwater charges and water delivery charges that are considered susceptible to accrual. Unbilled receivables for these items totaled approximately $4,767,546 in governmental funds and $1,604,239 in enterprise funds at June 30, 2019.

Property taxes are collected and remitted to the District by the County of Ventura. Taxes are levied annually on November 1 and are due one-half by December 10 and one-half by April 10. Major tax payments are received December through May and are recognized as revenue in the year received. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received, except for those received within 60 days of year-end which are recognized as revenue as of June 30.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of inter-fund loans) or advances to/from other funds (i.e., the non-current portion of inter-fund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as internal balances.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources and Net Position/Fund Balance, (continued)

4. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements and expensed as the items are used.

5. Capital Assets

Capital assets are reported in the applicable governmental or business-type activity columns in the district-wide financial statements and in the proprietary funds.

Equipment and intangible assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost. Structures and improvements purchased or acquired with an original cost of $25,000 or more are reported at historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Dams	100 years
Structures and improvements	15-50 years
Equipment	3-25 years

6. Compensated Absences

The District accrues vacation, annual leave and compensatory time in the period the fund liability is incurred. Sick leave liability is based on the amount accumulated at year-end by those employees who are eligible to receive termination payments.

7. Long-term Obligations

In the district-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources and Net Position/Fund Balance, (continued)

8. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

9. Net OPEB Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources and Net Position/Fund Balance, (continued)

10. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

11. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

12. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the district-wide and proprietary fund financial statements. Net position is classified in the following categories:

a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt related to the acquisition, construction or improvement of those assets.
b. Restricted net position – Consists of net position with legal limitations imposed on their use by external restrictions by other governments, creditors or grantors.
c. Unrestricted net position – All other net position that do not meet the definition of restricted or invested in capital assets.

Restricted net position for governmental activities are restricted due to law through constitutional provisions or enabling legislation, debt covenants and unspent bond proceeds. Restricted net position for business type activities are restricted due to debt covenants.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources and Net Position/Fund Balance, (continued)

13. Fund Balances

In the fund financial statements, governmental fund balances are classified as follows:

a. Non-spendable – Amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.
b. Restricted – Amounts that are restricted to specific purposes when constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.
c. Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (majority vote) of the Board of Directors. Those committed amounts cannot be used for any other purpose unless formal action taken by the Board of Directors removes or changes the specified use. Committed fund balance will also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Board of Directors considers a resolution to constitute a formal action of the board of directors for the purposes of establishing committed fund balance.
d. Assigned – Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed will be reported as assigned fund balance. The Board of Directors has designated the assignment of assigned fund balance to the Finance Committee.
e. Unassigned – Represents residual fund balance that has not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources and Net Position/Fund Balance, (continued)

13. Fund Balances, (continued)

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

At June 30, 2019, governmental fund balance consisted of the following:

Fund Balances	General Fund	State Water Import Fund	Total Governmental Funds
Nonspendable:			
Prepaids	$ 115,320	$ -	$ 115,320
Restricted for:			
Debt service reserve	854,146	-	854,146
State Water Importation	-	2,734,782	2,734,782
Committed to:			
Committed for:			
Santa Felicia Dam Projects	1,375,250	-	1,375,250
Professional Fees	364,586	-	364,586
Equipment	73,853	-	73,853
Grand Canal Improvement Project	67,684	-	67,684
Other Contractual Obligations	52,784	-	52,784
Quagga Mussel Removal & Mgmt	48,682	-	48,682
Pothole Trailhead Project	37,143	-	37,143
New Headquarters Project	35,015	-	35,015
State Water Interconnection Project	34,770	-	34,770
Alternative Supply Assurance Pipeline Project	14,158	-	14,158
Assigned to:			
Infrastructure Improvements and Replacement	4,559,258	-	4,559,258
Operating Carryovers	1,159,580	-	1,159,580
Unassigned:			
Unassigned	11,079,210	-	11,079,210
Total	$ 19,871,439	$ 2,734,782	$ 22,606,221

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Assets, Liabilities, Deferred Outflows/Deferred Inflows of Resources and Net Position/Fund Balance, (continued)

14. Budgets and Budgetary Accounting

On or before June 30, the annual budget is adopted by the Board of Directors after holding a public hearing and provides for the general operation of the District. The operating budget includes proposed expenditures and the means of financing them. The Board of Directors has the legal authority to amend the budget for all funds at any time during the fiscal year. The appropriated budget is prepared by fund and activity. The legal level of budgetary control is at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (i.e., purchase orders, contracts) outstanding at year-end are carried forward and added to the subsequent year's appropriation. The unencumbered balance of each appropriation lapses at year-end and reverts to the respective fund from which it was appropriated and becomes available for future appropriation.

15. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:		
Cash and investments	$	26,402,696
Restricted cash and investments		854,146
Total cash and investments	$	27,256,842

Note 2: CASH AND INVESTMENTS, (continued)

Cash and investments held by the District at June 30, 2019, consisted of the following:

Petty cash	$ 388
Demand deposits	907,804
Investments	26,348,650
Total cash and investments	$ 27,256,842

The District manages its investments in accordance with the District's Investment Policy, which was last reaffirmed by the Board of Directors by Resolution 2019-12 on June 12, 2019.

Investments Authorized by the California Government Code and the District's Investment Policy

Allowable investment instruments are defined in the California Government Code Section 53600, et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the District is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where the Government Code specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase.

The table below identifies the investment types that are authorized by the District's investment policy and the California Government Code (or the District's investment policy, if more restrictive). The table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type *	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Government Investment Pools:			
Local Agency Investment Fund (LAIF)	N/A	None	$65 Million
Ventura County Investment Pool	N/A	33%	33%
U. S. Government Securities:			
Treasury Bills	3 years	None	None
Treasury Notes	3 years	None	None
Bonds or other direct obligations	3 years	None	None
Federal Agency Securities	3 years	None	None
Certificates of Deposit	3 years	33%	33%
Money Market Funds	N/A	33%	33%

* Maximums based on state law requirements or investment policy requirements, whichever is more restrictive.

Note 2: CASH AND INVESTMENTS, (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District can manage its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

	Remaining Maturity			
Investment Type	12 months or less	13 to 24 months	25 to 36 months	Total
Local Agency Investment Fund	$ 25,494,096	$ -	$ -	$ 25,494,096
County of Ventura Investment Pool	408	-	-	408
Held by bond trustees:				
Money Market Funds	854,146	-	-	854,146
Total	$ 26,348,650	$ -	$ -	$ 26,348,650

As part of the District's investment policy, the District will minimize interest rate risk by: (a) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; (b) Investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools; and (c) Limiting the average maturity of the portfolio to up to but not to exceed three years.

Investment with Fair Values Highly Sensitive to Interest Rate Fluctuations

During the fiscal year ended June 30, 2019, the District did not hold any investments that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

Note 2: CASH AND INVESTMENTS, (continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Standard & Poor's Rating as of Year End
Local Agency Investment Fund*	$ 25,494,096	N/A	N/A
County of Ventura Investment Pool*	408	N/A	N/A
Held by bond trustees:			
Money Market Funds	854,146	AAA	AAA
Total	$ 26,348,650		

* The State and County investment pools do not offer an investment rating.

As part of the District's investment policy, the District will minimize credit risk by: (a) Limiting investments to the type of securities previously listed under "Investments Authorized by the California Government Code and the District's Investment Policy"; (b) Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the District will do business with; and (c) Diversifying the investment portfolio so that the impact of potential losses from any type of security or from any one individual issuer will be minimized.

Concentration of Risk

The District's investment policy provides that no more than 33% of the District's portfolio may be invested with a single firm or institution with the exception of the State of California Local Agency Investment Fund or obligations of the U.S. Government. There are no investments in any one issuer that represent 5% or more of total District investments, required to be disclosed.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., brokerdealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Note 2: CASH AND INVESTMENTS, (continued)

Custodial Credit Risk, (continued)

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2019, the District had deposits with financial institutions in excess of federal depository insurance limits by $912,577 that were held in collateralized accounts.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF), which is part of the Pooled Money Investment Account that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The District may invest up to $65,000,000 in the LAIF fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the internet at http://www.treasurer.ca.gov.

Investment in Ventura County Treasurer's Investment Pool

The District is a voluntary participant in the Ventura County Treasurer's Investment Pool (County Pool) which holds investments that are subject to being adjusted to "fair value". The District is required to disclose its methods and assumptions used to estimate the fair value of its holdings in the County Pool. The District relied upon information provided by the County Treasurer in estimating the District's fair value position of its holdings in the County Pool. The District had a contractual withdrawal value of $408 as of June 30, 2019.

The County Pool is a governmental investment pool managed and directed by the elected Ventura County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the County Pool. The daily operations and responsibilities of the County Pool fall under the auspices of the County Treasurer's office. The District is a voluntary participant of the Ventura County Treasurer's Investment Pool.

Note 2: CASH AND INVESTMENTS, (continued)

Fair Value Measurements

GASB Statement No. 72, Fair Value Measurements and Application, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

The District's investments in Local Agency Investment Fund of $25,494,096, County of Ventura Investment Pool of $408, and Money Market Funds of $854,146 are measured at Net Asset Value (NAV).

Note 3: INTERFUND ADVANCES

Receivable Fund	Payable Fund	Amount
General Fund	Freeman Diversion	$ 780,400
	Oxnard-Hueneme Pipeline	749,000
	Pleasant Valley Pipeline	155,500
	Pumping Trough Pipeline	869,400
		$ 2,554,300

The amounts payable to the General Fund relate to the loan made to the Pumping Trough Pipeline for a metering system and the loans made to the proprietary funds for the District's new headquarters. The General Fund expects to collect $447,360 in the subsequent year.

Note 4: CAPITAL ASSETS

Capital asset activity was as follows for the year ended June 30, 2019:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 16,919,430	$ 901,685	$ -	$ 17,821,115
Construction in progress	6,409,609	1,790,872	(769,010)	7,431,471
Total capital assets, not being depreciated	23,329,039	2,692,557	(769,010)	25,252,586
Capital assets, being depreciated:				
Dams	5,684,474	-	-	5,684,474
Structures and improvements	22,693,788	3,412,026	-	26,105,814
Equipment	4,020,313	209,096	-	4,229,409
Intangibles	8,431,927	-	-	8,431,927
Total capital assets, being depreciated	40,830,502	3,621,122	-	44,451,624
Less accumulated depreciation for:				
Dams	(3,666,485)	(56,845)	-	(3,723,330)
Structures and improvements	(11,803,979)	(505,619)	-	(12,309,598)
Equipment	(2,979,200)	(177,271)	-	(3,156,471)
Intangibles	(6,713,079)	(456,904)	-	(7,169,983)
Total accumulated depreciation	(25,162,743)	(1,196,639)	-	(26,359,382)
Total capital assets, being depreciated, net	15,667,759	2,424,483	-	18,092,242
Total governmental activities capital assets, net of accumulated depreciation	$ 38,996,798	$ 5,117,040	$ (769,010)	$ 43,344,828

Note 4: CAPITAL ASSETS, (continued)

	Beginning balance	Additions	Deletions	Ending balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,220,855	$ 642,296	$ -	$ 1,863,151
Construction in progress	3,980,456	2,024,146	(227,952)	5,776,650
Total capital assets, not being depreciated	5,201,311	2,666,442	(227,952)	7,639,801
Capital assets, being depreciated:				
Dams	31,173,473	-	-	31,173,473
Structures and improvements	37,592,723	2,027,821	-	39,620,544
Equipment	2,453,692	246,924	-	2,700,616
Total capital assets, being depreciated	71,219,888	2,274,745	-	73,494,633
Less accumulated depreciation for:				
Dams	(8,443,236)	(275,002)	-	(8,718,238)
Structures and improvements	(23,070,244)	(897,448)	-	(23,967,692)
Equipment	(1,935,636)	(118,874)	-	(2,054,510)
Total accumulated depreciation	(33,449,116)	(1,291,324)	-	(34,740,440)
Total capital assets, being depreciated, net	37,770,772	983,421	-	38,754,193
Total business-type activities capital assets, net of accumulated depreciation	$ 42,972,083	$ 3,649,863	$ (227,952)	$ 46,393,994

Current year deletions to construction in progress include project costs related to the Piru solar project and the recycled water program of $161,104 that were deemed not viable during the planning and design phase of the project. The remainder of the deletions are included as additions to structures and improvements.

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Water conservation	$ 969,597
Lake Piru Recreation facility	227,042
Total depreciation expense - governmental activities	$ 1,196,639
Business-type activities:	
Freeman Diversion facility	$ 347,527
Water delivery and treatment facilities	943,797
Total depreciation expense - business-type activities	$ 1,291,324

Note 5: DEFINED BENEFIT PENSION PLANS (PERS)

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors one miscellaneous plan in the miscellaneous risk pools. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

Note 5: DEFINED BENEFIT PENSION PLANS (PERS), (continued)

A. General Information about the Pension Plan, (continued)

Benefits Provided, (continued)

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	
	Classic	New Members
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 and up	52 and up
Monthly benefits, as a % of annual salary	2.0%-2.5%	1.0%-2.5%
Required employee contribution rates	8.0%	6.25%
Required employer contribution rates	10.609%	6.842%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Employer Contributions to the Plan for the fiscal year ended June 30, 2019, were $1,035,479. The actual employer payments of $1,984,562 made to CalPERS by the District during the measurement period ended June 30, 2018, differed from the District's proportionate share of the employer's contributions of $1,272,112 by $712,450, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Note 5: DEFINED BENEFIT PENSION PLANS (PERS), (continued)

B. Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

	Miscellaneous Plan
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases (1)	3.3% - 14.2%
Mortality Rate Table (2)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter

(1) Annual increases vary by category, entry age, and duration of service
(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Note 5: DEFINED BENEFIT PENSION PLANS (PERS), (continued)

B. Net Pension Liability, (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class[1]	Current Target Allocation	Real Return Years 1-10[2]	Real Return Years 11+[3]
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.96%
Liquidity	1%	0.00%	-0.92%
Total	100%		

[1]In the System's CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.
[2]An expected inflation of 2.0% used for this period
[3]An expected inflation of 2.92% used for this period

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Note 5: DEFINED BENEFIT PENSION PLANS (PERS), (continued)

B. Net Pension Liability, (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Note 5: DEFINED BENEFIT PENSION PLANS (PERS), (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2017 (VD)	$ 41,325,896	$ 30,530,373	$ 10,795,523
Balance at: 6/30/2018 (MD)	$ 42,960,959	$ 33,396,610	$ 9,564,349
Net changes during 2017-2018	$ 1,635,063	$ 2,866,237	$ (1,231,174)

Valuation Date (VD), Measurement Date (MD).

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Plan as of the June 30, 2017, and 2018 measurement dates was as follows:

Proportionate - June 30, 2017	0.27386%
Proportionate - June 30, 2018	0.25378%
Change - Increase (Decrease)	-0.02008%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 15,375,729	$ 9,564,349	$ 4,767,151

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Note 5: DEFINED BENEFIT PENSION PLANS (PERS), (continued)

C. Proportionate Share of Net Pension Liability, (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2017), the net pension liability for the plan was $10,795,523. For the measurement period ending June 30, 2018 (the measurement date), the District incurred a pension expense of $1,553,035 for the Plan.

Note 5: DEFINED BENEFIT PENSION PLANS (PERS), (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, (continued)

As of June 30, 2019, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 366,967	$ 124,877
Changes in assumptions	1,090,364	267,227
Differences between projected and actual investment earnings	47,284	-
Differences between employer's contributions and proportionate share of contributions	524,963	389,049
Change in employers proportion	96,619	573,498
Pension contributions subsequent to the measurement date	1,035,479	-
	$ 3,161,676	$ 1,354,651

These amounts above are net of outflows and inflows recognized in the 2017-18 measurement period expense. Contributions subsequent to the measurement date of $1,035,479 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2020	$ 707,011
2021	445,660
2022	(295,099)
2023	(86,026)
2024	-
Thereafter	-
	$ 771,546

E. Payable to the Pension Plan

At June 30, 2019, the District reported a payable of $36,380 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

Note 6: OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan (Plan). The Plan provides post-employment medical insurance to eligible retirees and their spouses through the California Public Employees Retirement System. State statutes within the Public Employees' Retirement Law establish menus of benefit provisions as well as other requirements and may be amended by CalPERS. The District selected an optional benefit provision specifically for health benefits in compliance with the Public Employees Medical and Hospital Care Act (PEMHCA). The District does not issue a financial report for the plan. A separate financial report is not prepared for the Plan.

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	58
Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees or beneficiaries entitled but not yet receiving benefits	-
Total	**70**

Contributions

The contribution requirements of the Plan are established by the District's Board of Directors. On October 14, 1998, the District's Board of Directors adopted a resolution to fund the plan on a pay-as-you-go basis. The method recognized a liability for the difference between pay-as-you go and any actuarially determined contributions. On September 10, 2014, the District's Board of Directors adopted a resolution to elect to prefund other post-employment benefits through the California Public Employees Retirement System (PERS) and deposit contributions in the California Public Employees Retirement Benefit Trust Fund (CERBT). For the fiscal year ended June 30, 2019, the District's cash contributions were $172,066 in payments to the trust. The District's contributions to the OPEB plan are not based on a measure of pay.

Note 6: OTHER POST EMPLOYMENT BENEFITS, (continued)

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Discount Rate	7.00%
Inflation	2.75%
Salary Increases	2.75%
Investment Rate of Return	7.00%
Mortality Rate	2014 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover Healthcare Trend Rate	4.0 percent per year. It is assumed that the average increase over time cannot outstrip general inflation by a wide margin.

The long-term expected rate of return on OPEB plan investments was determined using a building –block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Assumed Gross Return
US Large Cap	43%	7.795%
US Small Cap	23%	7.795%
Long-Term Corporate Bonds	12%	5.295%
Long-Term Government Bonds	6%	4.500%
Treasury Inflation Protected Securities (TIPS)	5%	7.795%
US Real Estate	8%	7.795%
Commodities	3%	7.795%
Total	100%	

Note 6: OTHER POST EMPLOYMENT BENEFITS, (continued)

Discount Rate

A discount rate of 7% was used in the valuation. It was assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The valuation used historic 32 year real rates of return for each asset class along with the assumed long-term inflation assumption to set the discount rate. The expected investment return was offset by 25 basis points to account for investment expenses.

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (B)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2018			
(Valuation Date June 30, 2017)	$ 632,656	$ 428,769	$ 203,887
Changes recognized for the measurement period:			
Service Cost	27,202	-	27,202
Interest on the total OPEB liability	44,583	-	44,583
Changes of assumptions	-	-	-
Plan experience differences	-	-	-
Contributions - employer	-	163,713	(163,713)
Net investment income	-	36,765	(36,765)
Benefit payments	(18,713)	(18,713)	-
Administrative expenses	-	(815)	815
Other	-	46	(46)
Net Changes	53,072	180,996	(127,924)
Balance at June 30, 2019			
(Measurement Date June 30, 2018)	$ 685,728	$ 609,765	$ 75,963

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB Liability	$ 168,791	$ 75,963	$ (269)

Note 6: OTHER POST EMPLOYMENT BENEFITS, (continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ (8,951)	$ 75,963	$ 177,814

OPEB Plan Fiduciary Net Position

CalPERS issues a publicly available CERBT financial report that may be obtained from the CalPERS' website at www.calpers.ca.gov.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) of plan aprticipants (5 Years at June 30, 2018)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of $37,199. As of fiscal year ended June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 172,066	$ -
Net difference between projected and actual earnings on OPEB plan investments	-	1,705
Total	$ 172,066	$ 1,705

Note 6: OTHER POST EMPLOYMENT BENEFITS, (continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, (continued)

The $172,066 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal upcoming fiscal year. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows.

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	$ (341)
2020	(341)
2021	(341)
2022	(341)
2023	(341)
Thereafter:	-
	(1,705)

Note 7: RISK MANAGEMENT JOINT POWERS AUTHORITY

The District participates in the property, liability and workers' compensation program and risk management services organized by the Special District Risk Management Authority (the Authority). The Authority is a Joint Powers Authority (JPA) created to provide an insurance program and risk management services to public agencies in the State of California. The JPA is not a component unit of the District for financial purposes, as explained below.

The Authority provides liability, property and workers' compensation insurance and risk management services for the District, which is one of over 650 participating agencies, for losses in excess of the members' specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. The Authority is governed by a board composed of members from participating agencies. The board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by the members from beyond their representation on the board. Each member shares financial surpluses and deficiencies proportionately to its participation in the Authority.

Based on audited financial statements, at June 30, 2018 (the most recent available), the Authority had total assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of $112,004,700, $823,568, $57903143, $337,392 and $54,584,733 respectively. The District paid premiums of $310,803 to the Authority for property, general liability and workers' compensation insurance during the year ended June 30, 2019.

The self-insurance retention level covered under the Authority program for property and liability is $250,000 and $750,000 for worker's compensation, per claim and would be paid from the assets of the Authority. Assistance with disposition of claims within the self-insured retentions is provided through the Authority. The District had five open claims under the Authority and no liabilities related to open claims were recorded as of June 30, 2019.

Note 8: STATE WATER PROJECT

In 1963, the Ventura County Flood Control District contracted with the State of California (State) for 20,000 acre-feet per year of water from the State Water Project (SWP). The SWP conveys water from Northern California to Southern California through a system of reservoirs, canals, pump stations and power generation facilities. In 1971, the administration of the Water Supply Contract with the State was assigned to Casitas Municipal Water District (Casitas). The District has contracted with Casitas for an annual Table A allocation of 5,000 acre-feet of SWP water. As consideration for water delivery entitlement, the District is obligated through the year 2036 to pay, without regard to the quantity of water received, its share of SWP capital construction costs, ongoing operating, maintenance, power and replacement costs, and certain other costs (collectively referred to as "ongoing operations and maintenance costs") to ensure the future availability of water. The District and the Department of Water Resources have signed an agreement in principal to extend the term of the SWP water supply contracts by 40 years from December 31, 2035 to December 31, 2075.

The District has recorded a liability for its share of capital construction costs (see Note 9). The District's share of ongoing operations and maintenance costs is determined annually by the State. Estimates provided by the State of future costs are as follows:

Year Ending June 30,	Governmental Activities
2020	$ 703,537
2021	792,425
2022	787,093
2023	792,045
2024	795,887
2025-2029	3,966,206
2030-2034	3,902,325
2035-2036	1,182,899
Total	$ 12,922,417

The above estimates are based upon a number of assumptions, are contingent upon future events, and are subject to significant variations over time. The District accounts for such ongoing operations and maintenance costs as expenditures in the periods in which they are billed to the District.

Note 9: LONG-TERM LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Obligation under State Water Project - Direct Borrowing	$ 1,665,815	$ -	$ (85,053)	$ 1,580,762	$ 76,043
Bonds payable:					
2001B Revenue bonds	99,119	-	(22,944)	76,175	23,862
2005B Revenue bonds	4,798,452	-	(280,413)	4,518,039	288,357
2009 Certificates of Participation	9,175,000	-	(500,000)	8,675,000	520,000
Plus (less) deferred amounts:					
Bond premiums	73,059	-	(3,479)	69,580	-
Bond discounts	(41,836)	-	2,516	(39,320)	-
Total bonds payable	14,103,794	-	(804,320)	13,299,474	832,219
Compensated absences	524,119	277,353	(259,232)	542,240	298,840
Governmental activities long-term liabilities	16,293,728	277,353	(1,148,605)	15,422,476	1,207,102
Business-type activities:					
Bonds payable:					
2001B Revenue bonds	440,881	-	(102,056)	338,825	106,138
2005B Revenue bonds	1,141,548	-	(74,587)	1,066,961	76,643
Plus (less) deferred amounts:					
Bond discounts	(12,033)	-	1,263	(10,770)	-
Total bonds payable	1,570,396	-	(175,380)	1,395,016	182,781
Compensated absences	338,052	156,699	(159,313)	335,438	190,466
Business-type activities long-term liabilities	1,908,448	156,699	(334,693)	1,730,454	373,247
Total long-term liabilities	$ 18,202,176	$ 434,052	$ (1,483,298)	$ 17,152,930	$ 1,580,349

For compensated absences, the general fund normally liquidates 61 percent, and the remaining 39 percent is liquidated by the proprietary funds.

Note 9: LONG-TERM LIABILITIES, (continued)

State Water Project (Direct Borrowing)

This long-term liability represents the District's share of capital construction costs of the State Water Project (See Note 8). The total principal amount outstanding as of June 30, 2019, is estimated by the State to be $1,580,762 and has a fixed interest rate of 4.61%, payable in various installments, due December 2035.

The annual debt service requirements for the obligation under State Water Project outstanding at June 30, 2019, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 76,043	$ 36,412	$ 112,455
2021	70,874	37,870	108,744
2022	72,107	43,692	115,799
2023	80,235	48,748	128,983
2024	85,838	48,250	134,088
2025-2029	491,592	192,323	683,915
2030-2034	535,353	78,188	613,541
2035-2036	168,720	113	168,833
Total	$ 1,580,762	$ 485,596	$ 2,066,358

2001B Revenue Bonds

In August 2001, the District entered into an Installment Purchase Agreement with the California Statewide Communities Development Authority (the Authority), a joint exercise of powers agency, in order to provide for the financing for certain public capital improvements and water system maintenance. The Authority, under a pooled financing program, issued $12,495,000 Water and Wastewater Revenue Bonds, Series 2001B. The District is a participant in the Series 2001B program. The District's portion of the Water and Wastewater Revenue Bonds amounted to $2,550,000. The bonds require semi-annual payments, with interest ranging from 3.25% to 5.13%, through October 2021. The payments are secured by a pledge of the District's net revenues. The total principal amount outstanding as of June 30, 2019, is $415,000 with remaining interest ranging from 4.60% to 5.125%.

Note 9: LONG-TERM LIABILITIES, (continued)

2001B Revenue Bonds, (continued)

The outstanding 2001B bonds contain a provision that if an event of default occurs and continues, the timing of repayment of outstanding amounts become due if (1) the District is unable to make a payment; (2) the District fails to perform any of the agreements or covenants required in the Indenture to be performed by it, and such default shall have continued for a period of thirty (30) days after the District has been given notice in writing of such default; (3) if the District files a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property or if a payment of the principal pf any Parity Debt is accelerated in accordance with its terms.

The annual debt service requirements for 2001B Revenue Bonds outstanding at June 30, 2019, were as follows:

Fiscal Year	Governmental Activities		Business-type Activities	
Ending June 30,	Principal	Interest	Principal	Interest
2020	$ 23,862	$ 3,292	$ 106,138	$ 14,645
2021	25,697	2,023	114,303	8,996
2022	26,616	682	118,384	3,034
Total	$ 76,175	$ 5,997	$ 338,825	$ 26,675

2005B Revenue Bonds

In July 2005, the District entered into an Installment Purchase Agreement with the California Statewide Communities Development Authority (the Authority), a joint exercise of powers agency to provide for the financing for certain public capital improvements. The Authority, under a pooled financing program, issued $11,840,000 Water and Wastewater Revenue Bonds, Series 2005B. The District is a participant in the Series 2005B program. The District's portion of the Water and Wastewater Revenue Bonds amounted to $9,620,000. The bonds require semi-annual payments, with interest ranging from 2.50% to 4.50%, for 20 years through October 2025 and for 30 years through October 2035. The payments are secured by a pledge of the District's net revenues. The total principal amount outstanding as of June 30, 2019, is $5,585,000 with remaining interest from 3.50% to 4.50%.

Note 9: LONG-TERM LIABILITIES, (continued)

2005B Revenue Bonds, (continued)

The outstanding 2005B bonds contain a provision that if an event of default occurs and continues, the timing of repayment of outstanding amounts become due if (1) the District is unable to make a payment; (2) the District fails to perform any of the agreements or covenants required in the Indenture to be performed by it, and such default shall have continued for a period of thirty (30) days after the District has been given notice in writing of such default; (3) if the District files a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property or if a payment of the principal pf any Parity Debt is accelerated in accordance with its terms.

The annual debt service requirements for 2005B Revenue Bonds outstanding at June 30, 2019, were as follows:

Fiscal Year	Governmental Activities		Business-type Activities	
Ending June 30,	Principal	Interest	Principal	Interest
2020	$ 288,357	$ 190,491	$ 76,643	$ 44,680
2021	304,245	178,486	80,755	41,492
2022	315,983	165,456	84,016	38,030
2023	331,871	151,527	88,129	34,329
2024	343,610	137,004	91,390	30,470
2025-2029	1,295,029	485,005	309,971	101,402
2030-2034	1,120,291	246,679	229,709	50,580
2035-2036	518,653	23,619	106,348	4,843
Total	$ 4,518,039	$ 1,578,267	$ 1,066,961	$ 345,826

2009 Certificates of Participation Bonds

Certificates of Participation (COP), in the amount of $15,465,000 were issued in December 2009 to provide funds for the (1) acquisition of approximately 231 acres of land of $13,542,400 and for (2) improvements related to the Lake Piru Recreation facilities for $750,000. The certificates are payable solely from certain installment payments to be made by the District pursuant to the 2009 Installment Purchase Contract, dated December 1, 2009, by and between the District and the United Water Conservation District Public Facilities Financing Corporation. The 2009 Installment Payments are a special obligation of the District payable from and secured by a pledge of the net revenues of the District's water system. The bonds require semi-annual payments, with interest ranging from 2.00% to 5.00% for 30 years through June 2040. The total principal amount outstanding as of June 30, 2019, is $8,675,000 with remaining interest ranging from 4.0% to 5.0%.

Note 9: LONG-TERM LIABILITIES, (continued)

2009 Certificates of Participation Bonds, (continued)

The outstanding 2009 bonds contain a provision that if an event of default occurs and continues, the timing of repayment of outstanding amounts become due if (1) the District is unable to make a payment; (2) the District fails to perform any of the agreements or covenants required in the Indenture to be performed by it, and such default shall have continued for a period of thirty (30) days after the District has been given notice in writing of such default; (3) if the District files a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property or if a payment of the principal pf any Parity Debt is accelerated in accordance with its terms.

The annual debt service requirements for 2009 Certificates of Participation Bonds outstanding at June 30, 2019 were as follows:

Fiscal Year	Governmental Activities	
Ending June 30,	Principal	Interest
2020	$ 520,000	$ 406,056
2021	255,000	390,556
2022	265,000	379,991
2023	280,000	368,925
2024	290,000	357,163
2025-2029	1,655,000	1,566,250
2030-2034	2,105,000	1,099,875
2035-2039	2,685,000	503,875
2040	620,000	15,500
Total	$ 8,675,000	$ 5,088,191

Note 10: MAJOR CUSTOMERS

The District has four customers whose water charges represent a significant portion of water revenue. Revenue from these four customers represented 29%, 11%, 8%, and 4% respectively, of water revenue during the fiscal year ended June 30, 2019.

Note 11: RISK MANAGEMENT

The District is exposed to potential losses from claims arising from its business operations. Significant losses are covered by commercial insurance. There have been no significant reductions in insured coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 12: RELATED PARTY TRANSACTIONS

Four of the seven-member Board of Directors have business concerns within the District boundaries and were assessed groundwater extraction charges from water pumped from wells within the District. The amount of revenue recognized for the year ended June 30, 2019, from Board members was $104,587. The estimated amount of revenue earned but not yet collected as of June 30, 2019 was $72,143.

Note 13: JOINT VENTURE

On September 17, 2002, the District entered into a Joint Exercise of Powers agreement with the City of Oxnard to create the Oxnard Plain/Riverpark Reclamation and Groundwater Recharge Authority (Authority), a public entity set up to secure grant funding and other public and private funding to reclaim mining pits to implement the Recharge Program and Reclamation Plan, and to undertake other groundwater recharge, groundwater quality, and water supply programs. Each of the parties may be required to make contributions of funds or use its personnel, equipment or property. At June 30, 2018 (the most recent available), the Authority had total assets, liabilities and net position of $1,061,196, $-0-, and $1,061,196, respectively. The financial information on the Authority may be obtained by contacting its Treasurer, 300 West Third Street, Oxnard, CA 93003.

Note 14: SERVICE CONCESSION ARRANGEMENT

Under its Federal Energy Regulatory Commission (FERC) license for the Santa Felicia Dam, the District is required to provide recreation facilities and services to the public at Lake Piru Recreation Area (Lake Piru). In January 2014, the District entered into an agreement with Parks Management Company (PMC) to provide recreation concessionaire services at Lake Piru. The District retains the right to direct the types of services provided, approve fees and restrict public access to the recreation area.

This agreement has been subsequently modified, with the latest revision effective January 2017. Under the new agreement terms, PMC collects all revenues and bills the District for all expenses, including up to a 15% profit margin, not covered by the revenues collected. In the event revenues exceed expenses as described previously, the District is entitled to all revenues above the monthly expenses, less the 15% profit margin. The additional projected annual cost to the District, under the new agreement, ranges from $475,000 and $610,000.

Note 15: COMMITMENTS

Operating Lease

The District leased office space from a third party under a long-term operating agreement, which expired on June 30, 2017. The District continues to lease under a month-to-month basis. Rent expense for the year ended June 30, 2019, was $45,449. Rent expense will increase 3% in FY 2019-20. The District expects to move to a new headquarters in early FY 2019-20 and at that time will no longer lease office space.

Encumbrances

As discussed in Note 1, *12. Budgets and Budgetary Accounting,* encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The general fund is the only governmental fund that has encumbrances. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds - Major	
General Fund	$ 2,103,925

Note 16: CONTINGENCIES

Santa Felicia Dam and HydroElectric Plant

The Federal Energy Regulatory Commission (FERC) relicense for the operation of the District's Santa Felicia Dam and Hydroelectric Plant is financed by a combination of District groundwater extraction rates and property taxes. The District's original FERC license expired in 2004 and the District began the relicensing process in FY 2001-2002. Through June 30, 2019, the District has spent $7,532,637 to renew and comply with the conditions included in the new license.

On September 12, 2008, FERC issued a new 40-year license to the District. The new license establishes specific requirements that the District must meet. Several of these requirements come from the biological opinion (BiOp), which National Marine Fisheries Service (NMFS) issued to FERC for the effects of the license on Southern California steelhead, listed as endangered under the Endangered Species Act (ESA). NMFS found that the issuance of the FERC license would jeopardize the continued existence of steelhead and result in adverse modification to designated critical habitat for steelhead. NMFS identified a reasonable and prudent alternatives plan (RPA) made up of three elements that FERC must require the District to implement to reduce the effects to steelhead and critical habitat to below the threshold of jeopardy and adverse modification.

Note 16: CONTINGENCIES, (continued)

<u>*Santa Felicia Dam and HydroElectric Plant, (continued)*</u>

The RPA includes requirements that the District undertakes actions, such as water releases, that are operational changes and would reduce the water-yield of the project. The RPA requires the District to prepare and implement a number of plans to address the three elements: the effects of the Santa Felicia Project on water flows, geomorphic conditions, and fish passage. The RPA and FERC license require that plans or reports be developed in consultation with NMFS and be approved by NMFS and FERC before they can be implemented.

The District has not formally accepted the new license. Instead, it requested a rehearing on several license elements including items for steelhead effects. On December 17, 2009, FERC denied the District's request for a rehearing. The District filed an appeal in the U.S. Court of Appeals for the D.C. Circuit on February 12, 2010, and the appeal brief was filed with the court on August 24, 2010. Because significant progress was being made on the most critical of the necessary plans, NMFS, FERC and the District requested that the court proceedings be held in abeyance. The court ordered the abeyance on September 29, 2010, and the abeyance remains in effect. The District is in compliance with a 60-day period reporting requirement and continues to report each 60-day period.

To date, the District has completed and received approval from FERC and NMFS on five of the nine plans/reports required in the BiOp. The District has completed implementation of one of the approved plans, the study plan of geomorphic effects.

Of the other four approved plans, one is for an evaluation of the relationship between flows and water elevation of lower Piru Creek and involves no implementation; another is a water release plan that the District must implement for the term of the license; another lays out the procedures for implementing the water releases; and the fourth is a study plan for assessing the feasibility of providing fish passage at Santa Felicia Dam.

Three plans pending completion are in various stages of development. The District has prepared drafts of three other required plans (adaptive management, effectiveness monitoring for water releases, and habitat improvement). The District is working with NMFS on revising these plans.

In addition, the District has completed and submitted a fish passage feasibility report. The report conveys the District’s intent regarding a preferred long-term solution on fish passage at the Santa Felicia Project that is contingent on resolution of certain outstanding issues.

For the most part, once the plans/reports are completed, the District will need to undertake specific actions (e.g., water releases, habitat improvement measures, fish passage actions, data collection) for some length of time that may be the term of the license. This will continue to involve staff time and outside consulting services to manage and carry out said actions and will likely have a negative effect on water resources over the term of the license (40 years). At this time, the future cost of complying with the requirements associated with license compliance, including the BiOp, is not known.

Note 16: CONTINGENCIES, (continued)

Santa Felicia Dam and HydroElectric Plant (continued)

The successful collaboration of the District and NMFS on the development of acceptable plans has demonstrated to FERC that progress is being made and as a result, FERC has not imposed any penalties on the District for non-compliance with the license requirements. If FERC concludes at some point that the District is not making enough progress in meeting its requirements in a timely manner, FERC could assess up to the maximum amount of the $21,563 per day penalty, retroactive to the required deadline set for any required action(s). The financial impact to the District, if FERC takes such a position, could be significant. It should be understood though, that it appears that FERC's intent is not to assess and collect penalties from the District but instead to use the potential for penalties to keep the District focused on coming into compliance with the license requirements.

Santa Felicia Dam Safety and Infrastructure Needs

Under the District's dam safety program, a structural analysis was performed to determine the seismic adequacy of the Santa Felicia Dam outlet works. The final results of the analyses indicate that the outlet works is insufficient to withstand the maximum credible earthquake (MCE) as defined by the study.

In the case of an MCE, seismic deformation of the upstream embankment is expected to be large enough to damage the outlet conduit of the dam. Accordingly, retrofitting the existing intake tower, pressure conduit, penstock and tunnel will not be considered in the development of alternatives. The outlet works include the intake tower, a standing pipe under the lake with its opening above the lake bottom sediment. Water flows into the intake tower and through the pressure conduit and the penstock, a steel pipe supported inside of a tunnel built under the dam. The purpose of the outlet works is to convey water from upstream of the dam and release it downstream of the dam. The reservoir bottom sediment is also approaching the rim or sill of the in-take tower, which would plug it up and make controlled releases from the reservoir impossible. The failure of the intake tower would prevent controlled water releases from the reservoir, affecting the District's mission of recharging the aquifers and the safety of the dam itself.

In addition, it has also been determined that the penstock will most likely not withstand a significant seismic event. A failure of the penstock could cause an uncontrolled release from the reservoir, leading to serious damage to the dam. Because of the seismic insufficiency of the intake tower (and silting issues) and penstock, the District is working on the design of a project to replace the entire outlet works and power plant. Once all technical options have been thoroughly considered and a final decision is made by the Board of Directors, a detailed cost analysis will be prepared. It is anticipated that the outlet works project could have a significant financial impact on the District.

Note 16: CONTINGENCIES, (continued)

Santa Felicia Dam Safety and Infrastructure Needs, (continued)

The FERC has required the District to convene an independent Board of Consultants (BOC) to provide oversight and quality assurance of the project design and construction. The BOC is an independent panel comprised of four experts experienced in tunneling, geotechnical engineering, hydraulics and structures. In parallel with the design a consulting team will be preparing the necessary environmental documents for the projects to comply with the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA). The Draft Environmental Impact Report has been prepared in compliance with the CEQA and is available for public review and comment. The District is in the process of finalizing the Environmental Assessment (EA) report on behalf of FERC in accordance with NEPA as part of the license amendment application for the project.

Currently, the estimated cost to design and construct the rehabilitation of the structure is in the order of $67 million. Through June 30, 2018, the District has spent $2,080,008 on these Santa Felicia Dam safety and infrastructure measures.

Santa Felicia Dam Probable Maximum Precipitation/Flood Studies

Standard engineering practices require that dams be designed to safely pass the largest stormwater inflow that they might encounter. This theoretical inflow is called the Probable Maximum Flood (PMF). The PMF is calculated from a large rainfall distribution. The standard rainfall employed is typically derived from the National Weather Service (NWS) computer model(s). In 2006, new PMF's were calculated for both the District's Santa Felicia Dam and California Department of Water Resources (DWR) Pyramid Dam on upper Piru Creek with the revised NWS rainfall model. Both facilities were found to have issues with safely passing the new flows in order to protect the structural integrity of the dams. The discharges at either dam are intended to be conveyed over engineered spillways. Accordingly, should a discharge which exceeds existing spillway capacity need to be passed, some enlargement or modification to the dam's spillway will become necessary. The higher the increased flood discharge, the larger and more costly the necessary retrofit. The recent NWS rainfall model discharges represented large increases from previous PMF discharges.

The Federal Energy Regulatory Commission (FERC) and the California Division of Safety of Dams (DSOD), in their regulatory capacities, agreed with the District's assertion that the current NWS methodology was flawed. DSOD's independent analysis of the PMF generated results significantly lower than the current NWS methodology. The regulatory agencies have accepted an inflow design flood of 220,000 cubic feet per second (cfs). The District awarded a contract for the design of the spillway improvements based on the 220,000 cfs inflow in May 2016.

Note 16: CONTINGENCIES, (continued)

Santa Felicia Dam Probable Maximum Precipitation/Flood Studies, (continued)

FERC has required the District to convene an independent Board of Consultants (BOC) to provide oversight and quality assurance of the project design and construction. The BOC is an independent panel comprised of four experts experienced in tunneling, geotechnical engineering, hydraulics and structures. In parallel with the design, a consulting team will be preparing the necessary environmental documents for the projects to comply with the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA). The Draft Environmental Impact Report has been prepared in compliance with the CEQA and is available for public review and comment. The District is in the process of finalizing the Environmental Assessment (EA) report on behalf of FERC in accordance with NEPA as part of the license amendment application for the project.

Currently, the estimated cost to design and construct the modifications to the dam and spillway is in the order of $36 million. The estimated costs of these modifications attributable to PMF are in addition to the estimated design and construction costs for Santa Felicia Dam rehabilitation referenced earlier. Through June 30, 2019, the District has spent $1,787,911 on the Probable Maximum Precipitation/Flood study efforts. This work could also be influenced by the results of the SFD fish passage study currently being reviewed by the NMFS. It is anticipated that the design and construction of the modifications to the dam and spillway could result in a significant financial impact on the District.

Freeman Diversion

The Freeman Diversion, completed in 1991, diverts water released from Lake Piru and other surface water from the Santa Clara River. The diverted water is conveyed via the Freeman Canal to groundwater recharge facilities, and to direct use in some areas.

In 1997, the Southern California Steelhead was listed as an endangered Distinct Population Segment (DPS) in accordance with the Endangered Species Act (ESA). Section 9 of the ESA prohibits the “take” of endangered species unless the take has been authorized under regulatory mechanisms established in the Act. The District must comply with the ESA for this listed DPS with respect to the District's operation of the Freeman Diversion. Over time, to minimize effects of ongoing operations on Steelhead, the District has developed and implemented modified operations, including modified diversion operations, for the Freeman Diversion. The District does not, however, have authorization for any take of Steelhead that may occur due to operation of the Freeman Diversion. Since approximately 2008, the District has focused on obtaining take authorization via Section 10(a)(1)(B) and 10(a)(2) of the ESA, under which the National Marine Fisheries Service (NMFS) may issue a permit authorizing take of Steelhead that is incidental to an otherwise lawful activity if certain criteria are met. The District will seek an incidental permit based on conservation measures identified in a multiple species habitat conservation plan (MSHCP).

Note 16: CONTINGENCIES, (continued)

Freeman Diversion, (continued)

During the fiscal year ending June 30, 2009, California Trout, Inc., (CalTrout) an environmental group, filed a lawsuit (2009 litigation) alleging unauthorized take of Steelhead by the District at the Freeman Diversion and seeking compliance by the District with so-called “Reasonable and Prudent Alternatives” (RPA) of a Biological Opinion (BiOp) that had been issued by the National Marine Fisheries Service (NMFS) to the U.S. Bureau of Reclamation (which had provided a loan for construction of the Freemen diversion several years before). In August 2009, the District and CalTrout reached a settlement agreement in order to resolve the lawsuit and to avoid future costs and uncertainties of further litigation. The District recognized an extraordinary item of $827,682 in the fiscal year ending June 30, 2009 which included settlement costs. Pursuant to the settlement agreement, the District agreed to undertake several measures, including modifying certain operations, evaluating bypass flows, and forming an independent panel of experts to evaluate the efficacy of fish passage at the Freeman Diversion.

The District has complied with the requirements of the settlement agreement from the 2009 litigation. The independent panel issued a final report with its recommendations for improving the fish passage at the Freeman Diversion on September 15, 2010. Based on that panel's conclusions, and in compliance with the settlement agreement, the District has been pursuing the design and implementation of a new fish passage facility at the Freeman Diversion as a part of the MSHCP process. The District is also evaluating possible long-term changes in diversion operations, which could ultimately result in a material decrease in water diversions, as compared to historical practice.

On June 2, 2016, Wishtoyo Foundation, its Ventura Coastkeeper Program, and the Center for Biological Diversity filed a lawsuit in the United States District Court for the Central District of California alleging that the District’s operation and maintenance of the Freeman Diversion results in unauthorized take of Steelhead and endangered Southwest Willow Flycatcher (Wishtoyo Litigation).

On October 11, 2016, the District delivered a second administrative draft MSHCP to NMFS and other agencies.

During 11 days in December 2017 and January 2018, the District Court conducted trial in the Wishtoyo Litigation.

On September 7, 2018, the District submitted the Third Administrative Draft MSHCP to NMFS and other agencies.
On October 4, 2018 the District Court entered a Judgment and Permanent Injunction in favor of Plaintiffs.

Note 16: CONTINGENCIES, (continued)

Freeman Diversion, (continued)

On September 23, 2018, the Court in the Wishtoyo Litigation issued an order that included its findings of fact and conclusions of law based on the trial. Operative findings and conclusions are the basis for the subsequent judgment. On October 4, 2018, the Court issued the judgment, finding the District in violation of the ESA section 9 regarding Steelhead; ordering the District to: continue with Freeman Diversion operations according to the diversion and flow-related RPA of the 2008 BiOp, until such time as the District obtains an incidental take permit; accelerate the design of at least two alternative fish passage systems; choose a final fish passage system by April 31, 2020; submit updated permit application documents by June 30, 2020; and complete construction of the selected fish passage system no later than two years after receiving regulatory approvals. Implementation of the 2008 BiOp's diversion and flow-related RPA as required by the Court results in very serious reduction in the ability to divert water at the Freeman Diversion.

An Amended Judgment and Permanent Injunction ("Amended Judgment") was entered on December 1, 2018, which vacated and superseded the October 4, 2018 Judgment and Permanent Injunction. Thereafter, the District Court issued an Order Awarding Attorney's Fees and Costs to Plaintiffs ("Order") in the amount of $3,220,303.

The District has filed an Appeal of the Amended Judgment and of the Order, and stayed enforcement of the Order until after conclusion of the Appeal.

The design, permitting, construction, operation and maintenance of the new fish passage facility could have a significant effect on the financial position and cash flows of the District. Given that the fish passage improvement alternative that will ultimately be selected is not currently known, the range of costs for construction is approximately $45 million to $95 million. The District's goal is to comply with the Court's direction by pursuing the design and evaluation of the two alternative fish passage systems, as well as a third alternative system that United believes holds promise, complete and submit the MSHCP and all permitting applications and environmental compliance documents by September 30, 2020, and be prepared to start construction as soon as permits are issued. If the final permitting process moves quickly, construction could commence some time in 2022, and be completed in 2024. Through June 30, 2019, the District has spent or encumbered costs of $3,283,957 to evaluate the fish passage in order to comply with the ESA.

Note 16: CONTINGENCIES, (continued)

Quagga Mussels

In December 2013, the District discovered quagga mussels in the District's Lake Piru reservoir. Quagga Mussels are a species of freshwater mussels, originally from Eastern Europe, which have been spreading from water body to water body across Europe, Canada, and the United States. Quagga mussels are often spread by improperly cleaned recreational boats or by conveyance of microscopic larval mussels (veligers) from one water source to another. Quagga infestations can become so thick that they clog water infrastructure, such as intake structures, pipes, valves, and hydroelectric plants. They can also weigh down and cause damage to floating recreational facilities, such as marina docks, floating restrooms, barges, and boats.

Quagga mussels are very efficient at consuming plankton from the lakes and rivers in which they grow. In sufficient numbers, they can alter the water environment by removing plankton, which increases the clarity of the water and can result in harmful algal blooms. Lake Piru is usually an ideal environment for quagga mussels, and they were multiplying rapidly until the 2016-2017 rainy season when the population significantly decreased following sediment flows that smothered adult mussels on the bottom of the lake. In 2017-2018, the population has recovered but has shown less growth on surfaces previously covered in quagga mussels, potentially because of control efforts and/or poor water quality (high turbidity) in the lake. District staff is working with California Department of Fish and Wildlife (CDFW) on a hydrodynamic model to guide lake level management to control the population and a potential treatment option aimed at eradication.

As required by California Fish and Game Code, the District is developing a Lake Piru Quagga Mussel Monitoring and Control Plan. United submitted an eight revision of the plan to CDFW who have responded that the plan remains non-compliant. In FY 2018-19, the District continued the process of developing a plan that CDFW can approve.

UWCD applied to California Department of Pesticides for a special local need permit to allow treatment of Lake Piru with a copper molluscicide with the goal of extreme population control aimed at eradication. In FY 2018-19, the District continued and expanded its comprehensive monitoring program, consistent with the draft plan for Lake Piru and the larger watershed. Additionally, the District contracted scientific dive teams to conduct physical removal efforts from infrastructure in the lake. The District will continue dedicating resources to aid in managing the quagga mussel infestation, including implementing various control and potential eradication measures, and to maintain compliance with state and federal law pertaining to invasive species.

The District spent $2,188,016 on quagga control measures through June 30, 2019.

Note 16: CONTINGENCIES, (continued)

Lake Piru Recreation Area Operations

On January 1 2014, the District entered into a concessions operating agreement with Parks Management Company (PMC) to run and operate the Lake Piru Recreation Area. The agreement has a seven year term and includes the option for two five year extensions. The initial operating agreement terms state that PMC would pay United a total of 10% of its adjusted gross revenue (AGR) on a monthly basis, would pay for water use within the recreation area and would invest $150,000 in capital improvements within the facility. However, in 2015, United issued two contract amendments. The amendments among other things: a) relieved PMC from making payments for water use (within specified levels); (b) making capital improvements investments; and (c) revised the lease payment portion of the agreement to state that PMC would only render the 10% AGR payment if its total annual income exceeded $750,000. These amendments were issued in order to help the concessions operation maintain financial viability during the prolonged drought which has greatly affected the visitation at the recreation area.

On February 15, 2017, the District approved an additional contract revision. Under the new agreement terms, PMC will collect all revenues and then bill the District for all expenses, including up to a 15% profit margin, not covered by the revenues collected. In the event revenues exceed expenses as described previously, the District is entitled to all revenues above the monthly expenses, less the 15% profit margin. The additional projected annual cost to the District, under the new agreement, ranges between $350,000 and $450,000.

Note 17: CLAIMS

City of San Buenaventura

In August 2011, the City of San Buenaventura (City) filed a petition for writ of mandate, petition for writ of administrative mandate, complaint for declaratory relief, and complaint for determination of invalidity (reverse validation) against the District which sought, among other things, to invalidate FY 2011-12 groundwater extraction rates adopted by the District in June 2011. The City alleged that the rates did not comply with California constitutional, statutory and common law requirements. The District filed an answer and a cross-complaint for declaratory relief. In August 2012, the City of San Buenaventura (City) filed a second similar petition for writ of mandate, petition for writ of administrative mandate, complaint for declaratory relief, and complaint for determination of invalidity (reverse validation) against the District which again sought, among other things, to invalidate FY 2012-13 groundwater extraction rates adopted by the District in June 2012. The two actions were consolidated for trial purposes and the trial date in Santa Barbara Superior Court was April 30, 2013. On September 6, 2013, a notice of entry of judgment was filed ordering a writ of mandate to issue from the court in favor of the City. The District was ordered to pay the City a partial refund of the groundwater extraction fees determined to be invalid for fiscal years 2011-12 and 2012-13 including interest. As a result, the District recognized an extraordinary item of $2,105,652 in the financial statements for the year ended June 30, 2013.

Note 17: CLAIMS, (continued)

City of San Buenaventura, (continued)

The District subsequently appealed several of the trial court's rulings, and the City cross-appealed. In March 2015, the California Court of Appeal (Second Appellate District, Division Six) issued a published opinion which concluded that the groundwater extraction charges are not property-related fees; that the charges did not exceed the District's reasonable costs of regulating the ground water supply; and that the charges are valid regulatory fees. The Court of appeal reversed the trial court's judgment in favor of the City and directed the trial court to vacate its writ of mandate.

The City thereafter filed a petition for review with the California Supreme Court seeking review of the Court of Appeal decision. The District opposed the petition. The Supreme Court granted review on a limited basis. The parties (and amicus parties) filed briefs. The Supreme Court heard oral argument on September 6, 2017, and issued a published decision on December 4, 2017. In the decision, the Supreme Court affirmed the conclusion of the Court of Appeal that the groundwater extraction charges are not property related, but remanded the remainder of the matter to the Court of Appeal with instructions to consider whether the record sufficiently establishes that the District's rates for the 2011–2012 and the 2012–2013 water years bore a reasonable relationship to the burdens on or the benefits of its conservation activities.

Additional briefs were filed by the parties and the matter remains pending in the Court of Appeal and was deemed submitted on November 19, 2018. A decision is expected within 90-days thereafter.

In addition to the above action, the City subsequently filed similar litigation against the District concerning the District's groundwater extraction rates for the 2013-14 and 2014-15 fiscal years. The District has filed responsive pleadings. Further proceedings are stayed pending a decision by the Court of Appeal on remand in the original litigation.

The City and the District have additionally entered into a tolling agreement regarding potential, similar litigation concerning the District's groundwater extraction rates for the 2015-16, 2016-17 2017-18 and 2018-2019 fiscal years.

Wishtoyo, Ventura Coastkeeper-Center for Biological Diversity

On June 2, 2016, Wishtoyo Foundation, its Ventura Coastkeeper Program, and the Center for Biological Diversity filed a lawsuit in the United States District Court for the Central District of California alleging that the District's operation and maintenance of the Freeman Diversion results in unauthorized take of Steelhead and endangered Southwest Willow Flycatcher (Wishtoyo Litigation).

During 11 days in December 2017 and January 2018, the District Court conducted trial in the Wishtoyo Litigation.

Note 17: CLAIMS, (continued)

Wishtoyo, Ventura Coastkeeper-Center for Biological Diversity, (continued)

On September 23, 2018, the Court in the Wishtoyo Litigation issued an order that included its findings of fact and conclusions of law based on the trial. Operative findings and conclusions are the basis for the subsequent judgment. On October 4, 2018, the Court issued the judgment, finding the District in violation of the ESA section 9 regarding Steelhead; ordering the District to: continue with Freeman Diversion operations according to the diversion and flow-related RPA of the 2008 BiOp, until such time as the District obtains an incidental take permit; accelerate the design of at least two alternative fish passage systems; choose a final fish passage system by April 31, 2020; submit updated permit application documents by June 30, 2020; and complete construction of the selected fish passage system no later than two years after receiving regulatory approvals. Implementation of the 2008 BiOp's diversion and flow-related RPA as required by the Court results in very serious reduction in the ability to divert water at the Freeman Diversion.

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REQUIRED SUPPLEMENTARY INFORMATION

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Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Years*

Measurement Date	6/30/2017	6/30/2018
Total OPEB Liability		
Service Cost	$ 26,474	$ 27,202
Interest on the Total OPEB Liability	41,087	44,583
Actual and expected experience difference	-	-
Changes in assumptions	-	-
Changes in benefit terms	-	-
Benefit payments	(17,993)	(18,713)
Net change in Total OPEB Liability	49,568	53,072
Total OPEB Liability - beginning	583,088	632,656
Total OPEB Liability - ending (a)	632,656	685,728
Plan Fiduciary Net Position		
Contribution - employer	162,993	163,713
Net investment income	26,975	36,765
Benefit payments	(17,993)	(18,713)
Administrative expense	(230)	(815)
Other	-	46
Net change in Plan Fiduciary Net Position	171,745	180,996
Plan Fiduciary Net Position - beginning	257,024	428,769
Plan Fiduciary Net Position - ending (b)	428,769	609,765
Net OPEB Liability - ending (a) - (b)	$ 203,887	$ 75,963
Plan fiduciary net position as a percentage of the total OPEB liability	67.77%	88.92%
Covered-employee payroll	$ 5,283,147	$ 5,559,274
Net OPEB liability as a percentage of covered-employee payroll	3.86%	1.37%

Notes to Schedule:

Changes in assumptions: none

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Fiscal Year 2017-18 was the first year of implementation

Required Supplementary Information
Schedule of OPEB Contributions
Last Ten Years*

Fiscal Year Ended June 30	2018	2019
Statutorily Determined Contributions (SDC)	$ 109,620	$ 112,980
Contributions in relation to the SDC	(164,969)	(172,066)
Contribution deficiency/(excess)	$ (55,349)	$ (59,086)
Covered-employee payroll	$ 5,559,274	$ 5,621,127
Contribution as a percentage of covered payroll	2.97%	3.06%

Notes to schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Methodology	Straight-line amortization. For assumption changes and experience gains/losses: Expected Average Remaining Service Lifetime of all members that are provided with benefits. For asset gains and losses: 5 years.
Asset Valuation Method	Market Value
Inflation	2.75%
Payroll Growth	2.75% per annum
Investment Rate of Return	7.00% per annum
Healthcare Trend Rates	4.00%
Retirement Age	The probabilities of retirement are based on the 2009
Mortality	2014 CalPERS Active Mortality for Miscellaneous Employees

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Fiscal Year 2017-2018 was the first year of implementation

Required Supplementary Information
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 2,712,000	$ 2,712,000	$ 2,808,174	$ 96,174
Water delivery	1,603,072	1,515,072	1,563,980	48,908
Groundwater	10,509,695	9,351,695	8,578,389	(773,306)
Fox Canyon	-	-	1,159,580	1,159,580
Rents and leases	147,314	336,368	334,332	(2,036)
Investment earnings	79,800	315,800	430,225	114,425
Other revenue	66,000	261,000	275,832	14,832
Total revenues	15,117,881	14,491,935	15,150,512	658,577
Expenditures:				
Personnel costs	5,053,212	5,345,313	4,724,009	621,304
Contractual services	2,551,664	3,674,668	2,235,877	1,438,791
Public information	4,500	4,500	2,114	2,386
Office expense	104,929	107,053	68,719	38,334
Travel, meetings and training	140,987	143,387	116,925	26,462
Gasoline and diesel fuel	66,502	66,502	82,023	(15,521)
Insurance	108,240	108,709	110,117	(1,408)
Fox Canyon GMA	880	880	16	864
Utilities	54,126	54,126	44,375	9,751
Telephone	12,894	12,894	6,436	6,458
Safety, supplies and clothing	79,028	79,028	58,884	20,144
Water treatment chemicals	5,000	5,000	4,822	178
Maintenance	516,361	551,644	315,471	236,173
Small tools and equipment	73,428	91,107	48,951	42,156
Permits and licenses	104,585	106,708	108,255	(1,547)
Water quality services	58,700	58,050	25,740	32,310
Miscellaneous	186,255	171,536	107,024	64,512
State Water import cost	-	701,059	701,059	-
Total operating expenditures	9,121,291	11,282,164	8,760,817	2,521,347
General and administrative	1,904,258	2,405,283	2,242,402	162,881
Principal	803,357	803,357	803,357	-
Interest	632,639	632,639	632,639	-
Bond fees and expenditures	9,217	9,217	3,507	5,710
Total debt service	1,445,213	1,445,213	1,439,503	5,710
Capital outlay	2,661,338	9,812,807	5,179,642	4,633,165
Total expenditures	15,132,100	24,945,467	17,622,364	7,323,103
Transfers In (out)	-	3,268	-	(3,268)
Net change in fund balance	(14,219)	(10,453,532)	(2,471,852)	7,981,680
Fund balance, beginning	22,343,291	22,343,291	22,343,291	-
Fund balance, ending	$ 22,329,072	$ 11,889,759	$ 19,871,439	$ 7,981,680

Required Supplementary Information
State Water Import Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Special assessments	$ 2,178,500	$ 2,657,500	$ 2,727,966	$ 70,466
Earnings on investments	16,800	56,800	88,233	31,433
Other revenue	-	-	4,472	4,472
Total revenues	2,195,300	2,714,300	2,820,671	106,371
Expenditures:				
State Water Project importation	1,720,461	3,124,461	2,762,417	362,044
Miscellaneous	5,110	5,110	5,387	(277)
Total operating expenditures	1,725,571	3,129,571	2,767,804	361,767
Principal	84,857	84,857	84,305	552
Interest	36,143	36,143	36,789	(646)
Total debt service	121,000	121,000	121,094	(94)
Total expenditures	1,846,571	3,250,571	2,888,898	361,673
Net change in fund balance	348,729	(536,271)	(68,227)	468,044
Fund balance, beginning	2,803,009	2,803,009	2,803,009	-
Fund balance, ending	$ 3,151,738	$ 2,266,738	$ 2,734,782	$ 468,044

Required Supplementary Information
Schedule of District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date
Last Ten Years*

Measurement Date	Employer's Proportion of the Collective Net Pension Liability[1]	Employer's Proportionate Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.01223%	$ 7,611,273	$ 5,020,303	151.61%	77.48%
6/30/2015	0.10645%	7,306,703	5,106,149	143.10%	79.29%
6/30/2016	0.10723%	9,278,264	5,630,234	164.79%	75.17%
6/30/2017	0.10886%	10,795,523	5,283,147	204.34%	73.88%
6/30/2018	0.09925%	9,564,349	5,559,274	172.04%	77.74%

[1] Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Required Supplementary Information
Schedule of Pension Plan Contributions
Last Ten Years*

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014-15	$ 908,781	$ (2,785,886)	$ (1,877,105)	$ 5,106,149	54.56%
2015-16	524,361	(524,361)	-	5,630,234	9.31%
2016-17	542,174	(542,174)	-	5,283,147	10.26%
2017-18	1,984,562	(1,984,562)	-	5,559,274	35.70%
2018-19	1,035,479	(1,035,479)	-	5,621,127	18.42%

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

1) Budgets And Budgetary Accounting

On or before June 30, the annual budget is adopted by the Board of Directors after holding a public hearing and provides for the general operation of the District. The operating budget includes proposed expenditures and the means of financing them. The Board of Directors has the legal authority to amend the budget for all funds at any time during the fiscal year. The appropriated budget is prepared by fund and activity. The legal level of budgetary control is at the fund level. Unbudgeted expenditures over $10,000 require the approval of the Board of Directors.

Encumbrance accounting is employed in the governmental funds. Encumbrances (i.e., purchase orders, contracts) outstanding at year-end are carried forward and added to the subsequent year's appropriation. The unencumbered balance of each appropriation lapses at year-end and reverts to the respective fund from which it was appropriated and becomes available for future appropriations.

2) Expenditures in Excess of Appropriations

There were no expenditures at the control level in excess of appropriations for the year ended June 30, 2019.

STATISTICAL SECTION

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Comprehensive Annual Financial Report
Statistical Section (Unaudited)
Table of Contents
For the Year Ended June 30, 2019

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis Of Accounting)
(Amounts Expressed In Thousands)

	Fiscal Year				
	2010	2011	2012	2013 *	2014
Governmental activities:					
Net investment in capital assets	$16,924	$18,747	$19,661	$19,989	$19,785
Restricted	989	1,504	1,777	1,817	2,223
Unrestricted	4,072	3,157	4,411	6,609	12,143
Total governmental activities net position	$21,985	$23,408	$25,849	$28,415	$34,151
Business-type activities:					
Net investment in capital assets	$38,310	$39,124	$39,019	$39,270	$39,257
Restricted	261	-	-	-	-
Unrestricted	4,513	5,006	6,748	7,012	8,059
Total business-type activities net position	$43,084	$44,130	$45,767	$46,282	$47,316
Total government					
Net investment in capital assets	$55,234	$57,871	$58,680	$59,259	$59,042
Restricted	1,250	1,504	1,777	1,817	2,223
Unrestricted	8,585	8,163	11,159	13,621	20,202
Total government net position	$65,069	$67,538	$71,616	$74,697	$81,467

* Fiscal year 2012-13 reflects the first year of the implementation of GASB Statement Nos. 63 and 65 which resulted in a prior period adjustment of $424,269. Fiscal years 2005 through 2012 have not been restated.

** Fiscal year 2014-15 reflects the first year of the implementation of GASB Statement Nos. 68 and 71 which resulted in a prior period restatement of ($5,110,594) to the Governmental Activities, and ($2,924,931) to the Business-Type Activities. No prior years were restated.

Source: United Water Conservation District

Fiscal Year				
2015**	2016	2017	2018	2019
$ 19,095	$ 21,814	$ 23,145	$ 24,893	$ 30,045
3,577	1,282	1,490	1,988	2,008
10,462	12,720	14,324	16,272	13,481
$ 33,134	$ 35,816	$ 38,959	$ 43,153	$ 45,534
$ 39,630	$ 39,876	$ 41,285	$ 41,402	$ 44,999
-	-	-	-	-
4,768	6,651	7,191	8,447	5,883
$ 44,398	$ 46,527	$ 48,476	$ 49,849	$ 50,882
$ 58,725	$ 61,690	$ 64,430	$ 66,295	$ 75,044
3,577	1,282	1,490	1,988	2,008
15,230	19,371	21,515	24,719	19,364
$77,532	$82,343	$87,435	$93,002	$96,416

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis Of Accounting)
(Amounts Expressed In Thousands)

	Fiscal Year			
	2010	2011	2012	2013 *
EXPENSES:				
Government activities				
Water conservation	$ 5,498	$ 7,033	$ 7,518	$ 7,193
Lake Piru recreation facilities	705	755	816	840
State Water Project importation	1,203	765	766	1,434
Interest on long-term debt	754	1,009	931	873
Total governmental activities expenses	8,160	9,562	10,031	10,340
Business-type activities:				
Freeman Diversion facility	1,787	1,575	1,492	1,492
Water delivery and treatment facilities	5,144	4,709	4,531	4,790
Lake Piru recreation facilities	-	-	-	-
Interest on long-term debt	-	-	-	-
Total business-type activities expenses	6,931	6,284	6,023	6,282
Total government expenses	$ 15,091	$ 10,993	$ 16,054	$ 16,622
PROGRAM REVENUES:				
Government activities				
Charges for services:				
Water conservation	$ 5,812	$ 7,005	$ 8,826	$ 11,402
Lake Piru recreation facilities	127	114	123	142
State Water Project importation	595	1,503	1,096	656
Operating grants and contributions	-	-	100	11
Capital grants and contributions	-	281	44	80
Total governmental activities program revenues	6,534	8,903	10,189	12,291
Business-type activities:				
Freeman Diversion facility	3,087	2,602	2,757	2,964
Water delivery and treatment facilities	5,077	4,655	4,840	4,569
Total business-type activities program revenues	8,164	7,257	7,597	7,533
Total government program revenues	$ 14,698	$ 16,160	$ 17,786	$ 19,824
Net (expense) revenue				
Governmental activities	$ (1,626)	$ (659)	$ 158	$ 1,951
Business-type activities	1,233	973	1,574	1,251
Total government net (expense) revenue	$ (393)	$ 314	$ 1,732	$ 3,202

* Fiscal year 2012-13 reflects the first year of the implementation of GASB Statement Nos. 63 and 65 which resulted in a prior period adjustment of $424,269. Fiscal years 2005 through 2012 have not been restated.

** Fiscal year 2014-15 reflects the first year of the implementation of GASB Statement Nos. 68 and 71 which resulted in a prior period restatement of ($5,110,594) to the Governmental Activities, and ($2,924,931) to the Business-Type Activities. No prior years were restated.

Source: United Water Conservation District

Fiscal Year					
2014	2015**	2016	2017	2018	2019
$ 7,577	$ 7,960	$ 7,994	$ 8,950	$ 9,830	$ 10,789
891	829	979	1,209	1,469	1,367
973	1,230	415	1,942	1,685	2,768
844	802	758	735	699	666
10,285	10,821	10,146	12,836	13,683	15,590
2,017	2,127	2,000	2,728	3,814	3,287
5,106	5,000	5,509	5,327	6,044	5,869
-	-	-	-	-	-
-	152	124	86	-	-
7,123	7,279	7,633	8,141	9,858	9,156
$ 17,408	$ 18,100	$ 17,779	$ 20,977	$ 23,541	$ 24,746
$ 12,210	$ 10,647	$ 10,093	$ 10,481	$ 11,705	$ 11,299
103	43	2	2	3	3
1,448	1,698	96	2,514	2,728	2,821
125	5	-	95	61	-
-	-	-	-	-	-
13,886	12,393	10,191	13,092	14,497	14,123
3,107	2,615	3,354	3,189	3,592	3,266
5,008	4,530	6,367	6,848	7,478	6,795
8,115	7,145	9,721	10,037	11,070	10,061
$ 22,001	$ 19,538	$ 19,912	$ 23,129	$ 25,567	$ 24,184
$ 3,601	$ 1,572	$ 45	$ 256	$ 814	$ (1,467)
992	(134)	2,088	1,896	1,212	905
$ 4,593	$ 1,438	$ 2,133	$ 2,152	$ 2,026	$ (562)

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis Of Accounting)
(Amounts Expressed In Thousands)

	Fiscal Year			
	2010	2011	2012	2013 *
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:				
Governmental activities:				
Property Taxes	$ 2,090	$ 1,950	$ 2,016	$ 2,154
Unrestricted investment earnings	21	18	8	9
Miscellaneous	86	114	259	194
Extraordinary Item	-	-	-	(1,413)
Transfers	-	-	-	-
Donated capital assets	3,949	-	-	-
Total governmental activities	6,146	2,082	2,283	944
Business-type activities:				
Unrestricted investment earnings	86	73	63	51
Extraordinary Item	-	-	-	(692)
Transfers	-	-	-	-
Miscellaneous	-	-	-	-
Loss on disposal of assets	-	-	-	-
Total business-type activities	86	73	63	(641)
Total government	$ 6,232	$ 2,155	$ 2,346	$ 303
CHANGES IN NET POSITION:				
Governmental activities	$ 4,520	$ 1,423	$ 2,441	$ 2,895
Business-type activities	1,319	1,046	1,637	610
Total government	$ 5,839	$ 2,469	$ 4,078	$ 3,505

* Fiscal year 2012-13 reflects the first year of the implementation of GASB Statement Nos. 63 and 65 which resulted in a prior period adjustment of $424,269. Fiscal years 2005 through 2012 have not been restated.

** Fiscal year 2014-15 reflects the first year of the implementation of GASB Statement Nos. 68 and 71 which resulted in a prior period restatement of ($5,110,594) to the Governmental Activities, and ($2,924,931) to the Business-Type Activities. No prior years were restated.

Source: United Water Conservation District

Fiscal Year					
2014	2015**	2016	2017	2018	2019
$ 2,131	$ 2,276	$ 2,404	$ 2,554	$ 2,634	$ 2,808
19	31	61	98	237	430
185	208	173	234	301	610
-	7	-	-	-	-
-	-	-	-	55	-
-	-	-	-	-	-
2,335	2,522	2,638	2,886	3,227	3,848
42	32	41	50	129	289
-	-	-	-	-	-
-	-	-	-	(55)	-
-	8	-	2	-	-
-	-	-	-	-	(161)
42	40	41	52	74	128
$ 2,377	$ 2,562	$ 2,679	$ 2,938	$ 3,301	$ 3,976
$ 5,936	$ 4,094	$ 2,683	$ 3,142	$ 4,041	$ 2,381
1,034	(94)	2,129	1,948	1,286	1,033
$ 6,970	$ 4,000	$ 4,812	$ 5,090	$ 5,327	$ 3,414

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)
(Amounts Expressed In Thousands)

	Fiscal Year			
	2010	2011	2012	2013 *
GENERAL FUND				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	-	3,104	1,796	1,935
Committed	-	367	-	-
Assigned	-	-	-	609
Unassigned	-	3,254	4,947	6,941
Reserved	5,255	-	-	-
Unreserved	3,519	-	-	-
Total general fund	$ 8,774	$ 6,725	$ 6,743	$ 9,485
ALL OTHER GOVERNMENT FUNDS				
Restricted	$ -	$ -	$ -	$ 909
Assigned	-	-	-	-
Unassigned				
Special revenue funds	-	-	-	-
Reserved	-	1,504	1,777	-
Unreserved reported in:				
Special revenue funds	988	-	-	-
Total All Other Governmental Funds	$ 988	$ 1,504	$ 1,777	$ 909

* Fiscal year 2012-13 reflects the first year of the implementation of GASB Statement Nos. 63 and 65 which resulted in a prior period adjustment of $424,269. Fiscal years 2005 through 2012 have not been restated.

Source: United Water Conservation District

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ -	$ 67	$ 81	$ 104	$ 193	$ 115
1,445	1,228	927	863	851	854
1,655	632	2,359	2,224	1,784	2,104
2,314	8,080	7,381	8,884	7,402	5,719
9,107	6,369	7,921	8,568	12,113	11,079
-	-	-	-	-	-
-	-	-	-	-	-
$ 14,521	$ 16,376	$ 18,669	$ 20,643	$ 22,343	$ 19,871
$ 1,325	$ 2,349	$ 1,463	$ 1,893	$ 2,803	$ 2,735
-	-	-	-	-	-
			-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
			-	-	-
-	-	-	-	-	-
$ 1,325	$ 2,349	$ 1,463	$ 1,893	$ 2,803	$ 2,735

Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)
(Amounts Expressed In Thousands)

	Fiscal Year			
	2010	2011	2012	2013
REVENUES:				
Taxes	$ 2,090	$ 1,949	$ 2,016	$ 2,154
Special Assessment	584	1,494	1,085	649
Charges for services	5,939	7,119	8,949	11,544
Earnings on investments	29	27	15	13
Grants	-	281	145	90
Other revenues	89	114	263	198
Total revenues	$ 8,731	$ 10,984	$ 12,473	$ 14,648
EXPENDITURES				
Salaries and benefits	$ 2,776	$ 3,275	$ 3,628	$ 3,402
Professional fees	790	932	1,252	892
Maintenance	1,356	1,275	995	1,817
Utilities	101	102	77	114
Materials and supplies	440	454	488	499
General and administrative	1,074	1,153	1,218	1,391
Debt Service				
Principal	742	2,743	2,625	1,235
Interest	601	1,023	952	885
Bond issuance costs and fees	221	6	7	9
Capital Outlay	16,119	1,554	952	1,117
Total expenditures	$ 24,220	$ 12,517	$ 12,194	$ 11,361
Excess/(deficiency) of revenues over/(under) expenditures	$ (15,489)	$ (1,533)	$ 279	$ 3,287
OTHER FINANCING SOURCES/(USES):				
Proceeds from financing	15,631	-	12	-
Bond premium	104	-	-	-
Sale of capital assets	-	-	-	-
Extraordinary item	-	-	-	(1,413)
Transfers in	-	-	-	-
Total other financing sources/(uses)	15,735	-	12	(1,413)
Net change in fund balances	$ 246	$ (1,533)	$ 291	$ 1,874
Debt Service as a percentage of noncapital expenditures	19.3%	34.4%	31.8%	20.7%

Source: United Water Conservation District

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
	$ 2,131	$ 2,276	$ 2,404	$ 2,554	$ 2,634	$ 2,808
	1,442	1,689	82	2,501	2,693	2,728
	12,313	10,690	10,095	10,483	11,709	11,302
	22	36	70	107	265	518
	125	5	-	95	60	-
	189	212	178	237	308	615
	$ 16,222	$ 14,908	$ 12,829	$ 15,977	$ 17,669	$ 17,971
	$ 3,560	$ 4,612	$ 4,010	$ 4,330	$ 4,846	$ 4,722
	1,319	1,405	1,052	1,446	2,325	2,241
	1,142	1,682	1,151	1,956	1,705	3,104
	79	53	49	104	109	133
	510	598	671	901	944	1,328
	1,549	1,567	1,597	1,591	1,698	2,242
	816	852	883	848	871	888
	850	798	767	735	703	669
	6	6	5	4	4	4
	949	1,161	1,236	1,664	1,909	5,180
	$ 10,780	$ 12,734	$ 11,421	$ 13,579	$ 15,114	$ 20,511
	$ 5,442	$ 2,174	$ 1,408	$ 2,398	$ 2,555	$ (2,540)
	11	698	-	-	-	-
	-	-	-	-	-	-
	-	7	-	5	-	-
	-	-	-	-	-	-
	-	-	-	-	55	-
	11	705	-	5	55	-
	$ 5,453	$ 2,879	$ 1,408	$ 2,403	$ 2,610	$ (2,540)
	16.9%	14.3%	16.2%	13.3%	12.0%	10.4%

General Governmental Revenues By Source and Expenditures by Function Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

Revenue:

Fiscal Year	Charges for Services	Taxes/ Assessment	Grant/ Contributions	Earnings on Investments	Other Revenues	Total
2010	$ 5,939,275	$ 2,673,878	$ -	$ 28,741	$ 89,267	$ 8,731,161
2011	7,118,940	3,443,492	281,156	27,264	113,836	10,984,688
2012	8,948,539	3,101,409	144,815	15,288	262,846	12,472,897
2013	11,544,103	2,802,976	90,388	12,642	197,855	14,647,964
2014	12,312,833	3,572,638	125,000	21,879	188,794	16,221,144
2015	10,689,710	3,964,973	5,374	35,580	917,360	15,612,997
2016	10,095,020	2,486,764	-	69,597	177,689	12,829,070
2017	10,483,429	5,054,131	94,649	107,363	237,236	15,976,808
2018	11,708,564	5,327,288	60,500	264,759	307,978	17,669,089
2019	11,301,949	5,536,140	-	518,458	614,636	17,971,183

Expenditures:

Fiscal Year	Water Conservation	Lake Piru Recreation Facilities (1)	State Water Import	Capital Outlay	Debt Service	Total
2010	$ 4,925,944	$ 482,476	$ 1,129,031	$ 16,118,830	$ 1,563,946	$ 24,220,227
2011	5,974,358	524,794	691,290	1,554,477	3,772,435	12,517,354
2012	6,430,332	535,883	692,408	951,648	3,583,552	12,193,823
2013	6,198,103	556,778	1,360,064	1,116,984	2,129,166	11,361,095
2014	6,635,707	623,584	899,504	948,714	1,672,595	10,780,104
2015	8,120,776	565,684	1,230,116	1,160,782	1,656,363	12,733,721
2016	6,983,872	708,744	838,150	1,235,868	1,654,449	11,421,083
2017	7,401,189	984,433	1,942,038	1,664,458	1,586,300	13,578,418
2018	8,691,793	1,251,990	1,685,033	1,909,072	1,576,531	15,114,419
2019	9,863,498	1,139,721	2,767,056	5,179,642	1,561,345	20,511,262

(1) Effective July 1, 2008, the Lake Piru Recreation facilities (an enterprise fund) was eliminated and all assets, liabilities and net assets were transferred to the General Fund.

Source: United Water Conservation District

Enterprise Funds Revenues by Source and Expenses by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Revenue:

Fiscal Year	Charges for Services	Other Operating Revenue	Interest Income	Inter-governmental Revenue	Other Revenue
2010	$ 5,939,275	$ 2,673,878	$ -	$ 28,741	$ -
2011	7,118,940	3,443,492	281,156	27,264	-
2012	8,948,539	3,101,409	144,815	15,288	-
2013	11,544,103	2,802,976	90,388	12,642	-
2014	12,312,833	3,572,638	125,000	21,879	-
2015	7,032,426	113,084	32,311	-	7,873
2016	9,528,072	192,669	40,775	-	-
2017	9,752,559	234,982	49,904	49,691	1,979
2018	10,632,578	321,246	128,617	116,407	-
2019	9,549,799	354,458	288,728	156,313	-

Expenses:

Fiscal Year	Salaries and Benefits	Contractual Services	Materials and Supplies	General and Administrative	Depreciation
2010	$ 1,693,762	$ 333,840	$ 2,302,070	$ 1,068,756	$ 1,207,821
2011	1,588,572	257,358	1,847,998	1,085,471	1,211,584
2012	1,570,750	91,067	1,766,259	1,131,106	1,228,982
2013	1,611,655	228,223	1,899,277	1,119,024	1,234,208
2014	1,760,345	610,133	2,202,581	1,117,030	1,258,357
2015	1,787,467	739,328	2,343,829	1,003,223	1,253,282
2016	1,817,448	926,932	2,352,065	1,147,989	1,264,513
2017	2,226,803	1,190,548	2,238,505	1,120,380	1,278,989
2018	2,508,073	2,319,569	2,367,731	1,291,406	1,288,890
2019	2,112,116	1,517,654	2,430,110	1,680,625	1,291,324

(1) Effective July 1, 2008, the Lake Piru Recreation facilities (an enterprise fund) was eliminated and all assets, liabilities and net assets were transferred to the General Fund.

Source: United Water Conservation District

Total
$ 8,641,894
10,870,852
12,210,051
14,450,109
16,032,350
7,185,694
9,761,516
10,089,115
11,198,848
10,349,298

Interest Expense	Other Non-Operating Expenses	Total
$ 303,971	$ 20,855	$ 6,931,075
268,376	24,582	6,283,941
213,899	21,559	6,023,622
181,707	8,218	6,282,312
167,392	6,402	7,122,240
145,992	6,485	7,279,606
118,467	5,170	7,632,584
81,064	4,532	8,140,821
78,358	4,165	9,858,192
119,355	165,243	9,316,427

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Water Production for Last Ten Fiscal Years
(In Acre Feet)

July 1 - June 30	Water Pumped from Wells Agricultural	Water Pumped from Wells Non-Agricultural	Water Deliveries Agricultural	Water Deliveries Non-agricultural
2010	128,888	44,930	23,533	15,524
2011	120,858	41,751	19,439	10,982
2012	125,033	39,651	22,802	11,424
2013	145,054	41,920	16,779	11,329
2014	173,045	43,251	10,065	10,967
2015	149,294	37,760	6,290	9,821
2016	153,329	35,559	6,772	9,255
2017	135,036	36,037	6,698	9,079
2018	152,394	37,058	7,675	9,875
2019	113,484	38,149	5,985	9,211

Source: United Water Conservation District

Groundwater Pumping by Zone (Acre Foot)
Last Ten Fiscal Years

Fiscal Year	Zone A	Zone B	Zone C	District Total
2010	86,033	79,402	8,383	173,818
2011	81,508	73,779	7,322	162,609
*2012	84,781	79,903	-	164,684
2013	90,690	96,284	-	186,974
2014	100,666	115,630	-	216,296
2015	90,187	96,867	-	187,054
2016	89,127	99,762	-	188,888
2017	84,094	86,979	-	171,073
2018	91,770	97,682	-	189,452
2019	70,804	80,830	-	151,633

Zone A - 100% District-wide pump charge / 0% Freeman pump charge
Zone B - 100% District-wide pump charge / 100% Freeman pump charge
Zone C - 100% District-wide pump charge / 33% Freeman pump charge

* In FY 2011-12, the District eliminated Zone C.

Source: United Water Conservation District

Groundwater Charge Rates
Last Ten Fiscal Years
(Charge per Acre Foot)

Fiscal Year	Zone	Pumped water used for agricultural purposes	Pumped water used for purposes other than agriculture
2010	A	$16.45	$49.35
	B	$34.45	$103.35
	C	$22.45	$67.35
2011	A	$19.50	$58.50
	B	$37.50	$112.50
	C	$25.50	$76.50
*2012	A	$28.50	$85.50
	B	$46.50	$139.50
2013	A	$39.75	$119.25
	B	$57.75	$173.25
2014	A	$39.75	$119.25
	B	$57.75	$173.25
2015	A	$39.75	$119.25
	B	$57.75	$173.25
2016	A	$39.75	$119.25
	B	$62.65	$187.95
2017	A	$43.75	$131.25
	B	$67.80	$203.40
2018	A	$45.08	$135.24
	B	$69.85	$209.55
2019	A	$46.43	$139.30
	B	$71.94	$215.84

Zone A — District-wide pump charges - 100%

Zone B — District-wide pump charges - 100%
Freeman Diversion pump charge - 100%

Zone C — District-wide pump charges - 100%
Freeman Diversion pump charge - 33%

* In FY 2011-12, the District eliminated Zone C.

Source: United Water Conservation District

Oxnard Hueneme Pipeline Deliveries per Acre Foot and Rate Charge
Last Ten Fiscal Years

July 1 - June 30	Water delivered (acre feet)	Pipeline variable* water charge per acre foot Municipal & Industrial (1) Customer	Pipeline marginal* water charge per acre foot Municipal & Industrial (1) Customer	Pipeline variable* water charge per acre foot Agricultural (2) Customer
2010	16,806	$ 248.10	$ 184.60	$ 179.20
2011	12,091	272.00	197.35	197.00
2012	12,606	292.50	227.50	199.50
2013	12,573	325.60	276.35	210.10
2014	12,294	375.22	264.36	259.72
2015	10,966	370.99	312.26	255.49
2016	10,550	501.61	361.33	376.31
2017	10,419	522.50	379.28	386.90
2018	11,401	528.65	374.30	388.95
2019	10,454	534.94	380.59	391.04

(1) Municipal and Industrial customer shall mean water used for domestic, industrial, commercial, urban, incidental irrigation or fire protection purposes.

(2) Oxnard Hueneme Pipeline Agricultural customer (Oceanview) shall mean Oxnard Hueneme Pipeline water used primarily for agricultural irrigation purposes.

(3) The peak capacity in the OH Pipeline is 53.0 cubic feet per send (cfs).

* Variable Costs = (up to 75% of customer sub-allocation). Variable costs shall mean the rate required per acre foot of water delivered and charged to individual customers up to 75% of their 1985-89 historical sub-allocation.

** Marginal costs = (over 75% of customer sub-allocation). Marginal costs shall mean the rate charged to individual customers for every acre foot delivered once their deliveries from Oxnard Hueneme Pipeline exceed 75% of their 1985-89 historical sub-allocation.

*** Fixed charge represents per unit of peak capacity, all other rates per acre foot delivered. The above annual fixed charge shown is in addition to the variable/marginal rate charged as applies per individual customer. Charge is allocated over 12 monthly payments.

This schedule is subject to all other terms and conditions per the "Water Supply Agreement for delivered water through the Oxnard Hueneme Pipeline" that may not be represented in this schedule.

Source: United Water Conservation District

Pipeline marginal** water charge per acre foot Agricultural (2) Customer	Fixed Charge *** per unit of peak (3) capacity
$ 115.70	$ 26,653.00
122.35	23,252.00
134.50	2,418.00
160.85	23,305.00
148.86	13,994.00
196.76	13,924.00
236.03	14,874.00
243.68	14,737.00
234.60	16,689.00
236.69	16,689.00

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Pleasant Valley and Pumping Trough Pipeline Deliveries per Acre Foot and Rate Charge
Agricultural Customers
Last Ten Fiscal Years

Pleasant Valley Pipeline Deliveries per Acre Foot and Rate Charge

July 1 - June 30	Water delivered (acre feet)	Pipeline water charge per acre foot Agricultural Customer	Saticoy Well * Field Pump Charge per acre feet
2010	13,077	$ 59.45	$ 30.00
2011	10,482	72.50	30.00
2012	12,858	81.50	30.00
2013	7,088	92.75	30.00
2014	339	92.75	30.00
2015	4	112.75	30.00
2016	-	117.65	30.00
2017	-	122.80	30.00
2018	-	124.85	30.00
2019	87	126.94	30.00

Pumping Trough Pipeline Deliveries per Acre Foot and Rate Charge

July 1 - June 30	Water delivered (acre feet)	Pipeline water charge per acre foot Agricultural Customer	Saticoy Well * Field Pump Charge per acre feet
2010	9,174	$ 143.45	$ 30.00
2011	7,848	166.50	30.00
2012	8,762	175.50	30.00
2013	8,447	186.75	30.00
2014	8,399	211.75	30.00
2015	5,140	283.75	30.00
2016	5,477	207.65	30.00
2017	5,357	288.55	30.00
2018	6,149	317.35	30.00
2019	4,655	319.44	30.00

* Pump charge is <u>in addition</u> to water charge per acre foot when the District pumps from the Saticoy Well Field in lieu of surface water.

Note - GMA pump charge rates were: $4.00 effective January 1, 2008, $6.00 effective July 1, 2014, and $6.00 - $10.00 effective July 1, 2015, and $12.50 effective July 1, 2016 for Saticoy Well Field and PTP Pipeline.

Source: United Water Conservation District

10 Largest Customers by Revenues
Fiscal Year Ended June 30, 2019 and Nine Years Ago

Fiscal Year 2018-2019

Customer	Groundwater consumed (acre-feet)	Groundwater charge per acre foot	Water delivered by pipeline (acre-feet)	Pipeline water charge per acre foot
City of Oxnard	7,806	$215.84	6,968	$534.94/$391.04 & $380.59*/$236.69
Port Hueneme Water Agency	-	-	3,109	$534.94/$380.59
City of San Buenaventura	3,732	$139.30/$215.84	-	
Pleasant Valley Co. Water	5,926	$71.94	87	$126.94
City of Santa Paula	3,956	$139.30	-	
Reiter Brothers, Inc.	2,412	$46.43/$71.94	486	$319.44**
Farmers Irrigation Co.	7,768	$46.43	-	
Southland Sod Farms	4,174	$71.94/$215.84	25	$319.44**
City of Fillmore	1,874	$139.30	-	
Duda Farm Fresh Foods	2,739	$43.43 /$71.94 /$215.84	33	$319.44**
	40,387		10,708	

Fiscal Year 2008-2009

Customer	Groundwater consumed (acre-feet)	Groundwater charge per acre foot	delivered by pipeline (acre-feet)	Pipeline water charge per acre foot
City of Oxnard (incl OV mst mtr)	3,966	$103.35	12,392	$248.10/$184.60 & $179.20/$115.70
Port Hueneme Water Agency	-		4,681	$248.10/$184.60
Pleasant Valley Co. Water	5,254	$34.45	14,381	59.45
City of San Buenaventura	9,425	$103.35 / 67.35 / 49.35	-	
City of Santa Paula	6,049	$16.45 / $49.35	-	
CA Dept of Fish & Game	11,249	16.45	-	
Southland Sod Farms	4,210	$34.45	19	$143.45/$158.45
Farmers Irrigation Co	8,811	$16.45	-	
City of Fillmore	2,428	$49.35	-	
Hiji Brothers	3,183	$34.45 / $22.45	547	$143.45/$158.45
	54,575		32,020	

*Note - GMA Pump Charge increased on July 1, 2016 to $12.50
effective July 1, 2016 for Saticoy Well Field and PTP Pipeline.
**Note - Includes GMA and Saticoy Well Field charges.

Source: United Water Conservation District

Total water purchased (acre-feet)		Fixed Annual Charge		Well Repl. Charge		Supplemental Water		Revenue
14,775	$	446,431	$	78,900	$	-	$	5,779,967
3,109		371,330		40,679		-		1,470,269
3,732		-		-		-		1,127,829
6,013		322,200		-		-		562,158
3,956		-		-		-		443,607
2,898		88,050		-		-		341,066
7,768		-		-		-		314,784
4,199		11,400		-		-		257,863
1,874		-		-		-		239,046
2,773		11,400		-		-		2,129,957
51,097	$	1,250,811	$	119,579	$	-	$	12,666,546

Total water purchased (acre-feet)		Fixed Annual Charge		Well Repl. Charge		Supplemental Water		Revenue
16,358	$	878,291	$	-	$	-	$	3,994,396
4,681		627,004		-		-		1,720,836
19,635		-		-		-		1,035,993
9,425		-		-		-		586,846
6,049		-		-		-		265,997
11,249		-		-		-		185,052
4,229		-		-		-		147,823
8,811		-		-		-		144,960
2,428		-		-		-		119,825
3,730		-		-		-		182,904
86,595	$	1,505,295	$	-	$	-	$	8,384,632

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Amounts Expressed in Thousands Except for Population and Per Capita Amount)

	Government Activities			Business-Type Activities			
Fiscal Year	Special Assessment Contract (1)	Revenue-backed Bonds	Certificates of Participation	General Obligation Debt (2)	Revenue-backed Bonds	Loans	Total Government
2010	$ 1,668	$ 8,492	$ 15,569	$ 928	$ 5,508	$ -	$ 32,165
2011	1,429	7,808	13,747	-	4,675	-	27,659
2012	1,354	7,101	11,914	-	3,815	-	24,184
2013	1,242	6,376	11,516	-	3,083	-	22,217
2014	1,157	6,071	11,097	-	2,703	-	21,028
2015	1,757	5,752	10,658	-	2,310	-	20,477
2016	1,232	5,423	10,205	-	1,900	-	18,760
2017	1,266	5,144	9,737	-	1,738	-	17,885
2018	1,666	4,856	9,248	-	1,570	-	17,340
2019	1,581	4,555	8,745	-	1,395	-	16,276

(1) California State Water Project Contract
(2) Loan from Bureau of Reclamation
(3) Source - County Auditor-Controller Ventura County - also refer to Demographic and Economic Statistics for detailed breakdc
(4) Assessed valuation used as other economic base versus personal income.
(5) California Department of Finance Ventura County July 1st of each year.

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

The above data are alternative indicators that are considered relevant to United Water Conservation District.

Source: United Water Conservation District

Assessed Valuations (3)	Percentage of Assessed Valuations (4)	Population (5)	Per Capita
$ 32,845,989	0.10%	824,467	$ 39.01
32,865,629	0.08%	831,450	33.27
32,971,529	0.07%	836,553	28.91
34,233,154	0.06%	842,639	26.37
36,550,998	0.06%	847,885	24.80
38,102,042	0.05%	852,013	24.03
39,715,003	0.05%	854,383	21.96
41,679,612	0.04%	857,386	20.86
43,511,374	0.04%	859,073	20.18
45,788,839	0.04%	855,489	19.03

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Amounts Expressed in Thousands Except for Population and Per Capita Amount)

Fiscal Year	General Obligation Bonds	Total General Obligation Bonds	Total Assessed Valuations
2010	$ -	$ -	$ 32,845,989
2011	-	-	32,865,629
2012	-	-	32,971,529
2013	-	-	34,233,154
2014	-	-	36,550,998
2015	-	-	38,102,042
2016	-	-	39,715,003
2017	-	-	41,679,612
2018	-	-	43,511,374
2019	-	-	45,788,839

(1) Source - County Auditor-Controller Ventura County.

(2) California Department of Finance Ventura County July 1st of each year.

The above data are alternative indicators that are considered relevant to United Water Conservation District.

Source: United Water Conservation District

Percentage of Total Assessed Valuations (1)	Population (2)	Per Capita
0.00%	824,467	$ -
0.00%	831,450	-
0.00%	836,553	-
0.00%	842,639	-
0.00%	847,885	-
0.00%	852,013	-
0.00%	854,383	-
0.00%	857,386	-
0.00%	859,073	-
0.00%	855,489	-

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Direct and Overlapping Governmental Activities Debt
June 30, 2019
(Amounts Expressed in Thousands)

	Special Assessment Contract (1)	Revenue-backed Bonds	Certificates of Participation	Total Debt Outstanding
Direct debt	$ 1,581	$ 4,555	$ 8,745	$ 14,881
Overlapping debt	-	-	-	-
Total direct and overlapping debt	$ 1,581	$ 4,555	$ 8,745	$ 14,881

(1) California State Water Project Contract

Source: United Water Conservation District

Summary of Historic Operating Results and Pledged-Revenue and Non-Pledged Debt Service Coverage
Fiscal Year Ended June 30, 2019

	Fiscal Year			
	2010	2011	2012	2013
REVENUES:				
Water delivery charges	$ 8,167,953	$ 8,304,773	$ 8,451,933	$ 7,278,609
Groundwater charges	5,465,530	5,648,726	7,575,270	11,160,081
Less allowance for uncollectibles	9,688	(876)	(9,527)	(22,720)
Taxes	2,089,881	1,949,647	2,016,499	2,154,195
Interest	107,155	90,699	69,737	58,801
Other	202,191	190,912	530,332	511,226
Total Revenues	16,042,398	16,183,881	18,634,244	21,140,192
Operating expenditures (1)				
Salaries	2,824,241	3,079,085	3,212,930	3,068,517
Employee benefits	1,327,087	1,438,154	1,622,051	1,590,188
Utilities	1,171,421	998,711	926,083	1,055,895
Maintenance	1,110,982	1,167,225	723,718	904,605
Professional fees	1,094,790	1,168,058	1,326,488	1,100,249
Miscellaneous	722,595	730,926	880,862	751,828
General and administrative	2,073,257	2,164,448	2,275,837	2,405,438
Total operating expenditures	10,324,373	10,746,607	10,967,969	10,876,720
Net revenues	$ 5,718,025	$ 5,437,274	$ 7,666,275	$ 10,263,472
Debt Service:				
Principal	$ 1,495,000	$ 3,370,000	$ 3,430,001	$ 1,980,000
Interest	790,036	1,185,358	1,085,538	977,181
Total Parity debt service (2)	$ 2,285,036	$ 4,555,358	$ 4,515,539	$ 2,957,181
Coverage of system net revenues to parity debt service	2.50	1.19	1.70	3.47
Debt Service:				
Principal	$ 1,200,000	$ 928,000	$ -	$ -
Interest	36,309	28,885	-	-
Total debt service on other debt payable from net revenues	$ 1,236,309	$ 956,885	$ -	$ -
Coverage on all debt payable from net revenues	1.62	0.99	1.70	3.47

(1) Excludes depreciation capital expenditures and debt service.

(2) Includes 2001, 2005, 2006 Revenue Bonds, 2009 Certificates of Participation bond contracts.
Does not include other obligations of the District not secured by an express pledge of water revenues.

Source: United Water Conservation District

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 6,941,588	$ 6,331,874	$ 7,941,936	$ 9,073,359	$ 12,711,756	$ 11,062,316
12,577,381	10,958,078	11,505,767	11,382,921	9,814,957	9,945,745
1,593	(10,870)	(3,595)	(24,585)	(8,664)	(10,445)
2,130,951	2,276,002	2,404,269	2,553,589	2,633,886	2,808,174
59,524	67,892	100,075	148,429	393,376	807,186
667,738	589,786	114,487	428,880	629,224	969,094
22,378,775	20,212,762	22,062,939	23,562,594	26,174,535	25,582,070
3,246,403	3,257,368	3,826,442	4,054,946	4,156,875	4,228,613
1,704,470	2,795,672	1,918,153	2,399,619	3,197,157	2,406,720
1,375,625	1,512,219	1,389,360	1,346,787	1,462,082	1,351,990
733,351	589,015	822,692	735,844	706,930	938,734
1,884,040	2,170,319	2,013,411	2,542,817	5,523,165	3,758,550
820,391	1,199,486	1,141,037	1,241,072	1,367,259	2,048,666
2,560,638	2,482,543	2,745,072	2,711,470	2,989,367	1,815,577
12,324,918	14,006,622	13,856,167	15,032,555	19,402,835	16,548,850
$ 10,053,857	$ 6,206,140	$ 8,206,772	$ 8,530,039	$ 6,771,700	$ 9,033,220
$ 1,100,000	$ 1,145,000	$ 1,190,000	$ 910,000	$ 945,000	$ 980,000
912,844	869,950	824,634	776,724	739,459	783,269
$ 2,012,844	$ 2,014,950	$ 2,014,634	$ 1,686,724	$ 1,684,459	$ 1,763,269
4.99	3.08	4.07	5.06	4.02	5.12
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -
4.99	3.08	4.07	5.06	4.02	5.12

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Demographic and Economic Statistics of Ventura County
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Utility Valuations	Secured Valuations	Unsecured Valuations	Total Assessed Valuations (1)	Population (2)
2010	$ 106,785	$ 31,652,196	$ 1,087,008	$ 32,845,989	824,467
2011	106,617	31,672,936	1,086,077	32,865,629	831,450
2012	122,321	31,736,906	1,112,301	32,971,529	836,553
2013	149,318	32,906,520	1,177,315	34,233,154	842,639
2014	143,950	35,163,390	1,243,659	36,550,998	847,885
2015	122,776	36,847,771	1,131,495	38,102,042	852,013
2016	80,267	38,541,466	1,093,269	39,715,003	854,383
2017	66,866	40,599,584	1,013,162	41,679,612	857,386
2018	51,249	42,390,507	1,069,618	43,511,374	859,073
2019	22,261	44,607,687	1,158,710	45,788,839	855,489

(1) Source - County Auditor-Controller Ventura County, Property Tax, Direct Assessments, District Recap Valuations.

(2) California Department of Finance Ventura County July 1st of each year E-2 estimates.

The above data are alternative indicators that are considered relevant to United Water Conservation District.

Demographic and Economic Statistics of Ventura County – (Continued)
Last Ten Calendar Years
(Amounts Expressed in Thousands or Acre Foot as Indicated)

Calendar Year	Gross Value of Crops (1)	Lending Commodity Value Strawberry (1)	Acres of Agricultural of Farm Land (2)
2009	$ 1,623,857	$ 515,406	96,316
2010	1,859,151	542,127	N/A
2011	1,844,260	625,509	96,340
2012	1,963,798	691,303	N/A
2013	2,094,915	608,765	92,273
2014	2,137,033	627,964	93,376
2015	2,198,555	617,832	95,802
2016	2,198,555	617,832	95,802
2017	2,099,889	654,312	95,850
2018	2,103,232	670,716	91,350

(1) Source: Farm Bureau of Ventura County, most current information available

(2) Source: Farm Bureau of Ventura County calculated by the California Department of Conservation's Farmland Mapping and Monitoring Program and excludes grazing land.

The above data are alternative indicators that are considered relevant to United Water Conservation District.

Demographic and Economic Statistics of Ventura County – (Continued)
Last Ten Calendar Years
(Amounts Expressed in Thousands Except Population and Per Capita)

Calendar Year	Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2009	818,546	$ 36,439,784	$ 44,704	9.6%
2010	824,441	37,605,326	45,565	10.4%
2011	831,606	39,627,111	47,703	9.7%
2012	836,782	41,294,216	49,483	8.5%
2013	842,964	41,728,050	49,706	7.2%
2014	848,038	43,878,654	51,984	6.0%
2015	852,199	46,269,484	54,581	5.3%
2016	853,673	47,397,620	55,779	5.0%
2017	854,987	44,113,605	52,307	4.0%
2018	855,489	46,629,719	57,206	3.8%

(1) California Department of Finance, Demographic Research Unit, E-5 Population and Housing Estimates

(2) U.S. Bureau of Economic Analysis, most current information available. Note: Year 2015 was not available, calculated a five year average.

(3) California Employment Development Department, Labor Market Information Division

The above data are alternative indicators that are considered relevant to United Water Conservation District.

Demographic and Economic Statistics of Ventura County – (Continued)
Calendar Year Ended December 31, 2019 and Nine Years Ago

	2019		
Principal Employers	**Employees**	**Rank**	**Percentage of Total County Employment**
United States Naval Base	18,776	1	6.04%
County of Ventura	8,435	2	2.71%
Amgen, Inc.	5,500	3	1.77%
WellPoint Inc.	2,860	4	0.92%
Simi Valley Unified School District	2,737	5	0.88%
Community Memorial Hospital	2,300	6	0.74%
Conejo Valley Unified School District	2,050	7	0.66%
Dignity Health	1,904	8	0.61%
Ventura Unified School District	1,835	9	0.59%
Oxnard Union School District	1,654	10	0.53%
Countrywide Financial Corp.	-	N/A	0.00%
Vons	-	N/A	0.00%
Verizon Communications	163	48	0.00%
	48,214		15.45%

Source: California Economic Forecast (February 2019 Report for Ventura County)
UCSB Economic Forecast Project (2010)

The above data are alternative indicators that are considered relevant to United Water Conservation District.

2010		
Employees	**Rank**	**Percentage of Total County Employment**
19,000	1	6.28%
8,121	2	2.68%
6,500	3	2.15%
3,623	5	1.20%
2,591	6	0.86%
-	N/A	0.00%
2,169	10	0.72%
-	N/A	0.00%
2,197	9	0.73%
-	N/A	0.00%
5,588	4	1.85%
2,282	7	0.75%
2,200	8	0.73%
54,271		17.94%

Operating Information
Last Ten Fiscal Years

Full time equivalent positions as assigned by Function/Program at June 30th.

Fiscal Year	Water Conservation	Facility Operations and Improvements	Recreation Facilities	General and Administrative	Total District Employees
2010	9	27	2	14	52
2011	10	28	2	13	54
2012	9	25	2	12	48
2013	13	25	2	13	53
2014	11	22	2	14	49
2015	12	25	2	13	52
2016	14	27	3	14	58
2017	16	26	6	14	62
2018	15	25	4	13	57
2019	15	25	5	13	58

General and administrative employees compensation allocated to water conservation and facilities based on an agreed upon indirect cost allocation methodology.

Source: United Water Conservation District

Well No.	Well Depth In Feet	Well Capacity Gallons Per Minute
The Oxnard-Hueneme Pipeline has twelve active pumping wells:		
2A	320	3,200
5	308	2,600
6	304	2,470
8	319	3,100
11	360	3,500
12	1,112	2,500
13-Standby	1,410	2,500
14	1,495	3,500
15	330	3,500
16	340	2,150
17	300	2,150
18	380	2,500

Well No.	Well Depth In Feet	Well Capacity Gallons Per Minute
The Pumping Trough Pipeline has five deep aquifer irrigation pumping wells:		
1	1,300	2,300
2	1,286	1,600
3	1,310	1,975
4	1,500	3,100
5	1,220	2,400
The Pumping Trough Pipeline also has one Booster Pump with pumping capacity of 6,700 gallons per minute.		

Well No.	Well Depth In Feet	Well Capacity Gallons Per Minute
The Saticoy Well Field has four upper aquifer irrigation pumping wells:		
1	375	1,800
2	330	1,300
3	360	1,800
4	280	1,200

Source: United Water Conservation District

Operating Information – (Continued)
Fiscal Year Ended June 30, 2019

District Facilities: United Water Conservation District operates a series of water conservation facilities within the watershed of the Santa Clara River. The facilities are used to store water run-off, divert water, recharge aquifers through the use of spreading ponds and deliver water to municipalities and agricultural growers. The District has over 1,156 active water wells within the District's service area. The District estimates these wells are owned by approximately 700 individuals. A listing of some of the major facilities is as follows:

Santa Felicia Dam	An earthen dam constructed in 1954 with a maximum height of 200 feet. The main purpose of the dam is to catch water run-off from Piru Creek.

Lake Piru	Created by the Santa Felicia Dam. The main purpose of the Lake is to store water run-off and release, in controlled amounts, water to replenish several groundwater basins and supply surface water for irrigation to agricultural areas of the District. Capacity: maximum 82,000 acre feet to a minimum pool of 16,000 acre feet.

Piru Diversion and Spreading Grounds	Constructed in 1931. Percolating Capacity: 150 acre-feet per day Average Annual Spreading: 0 acre feet (not currently in use)

Ferro Basin	231 acre Ferro Basin Acquired in 2009 Not presently connected to the District's recharge system

Noble Rose Basins	Converted from an aggregate mining pit in 1994 120 acre Noble Basin 117 acre Rose Basin Basin dividers: 4 cells separated by 15 to 20 foot earthen berms Percolation capacity: 200 AF

Mugu Lateral	Pipeline to Point Mugu Naval Air Station Leased long term to Port Hueneme Water Agency

Freeman Diversion	Construction completed in 1991. A concrete structure spanning the Santa Clara River with water diversion of 375 cfs. Diverts water released from Lake Piru and natural runoff from the Santa Clara River. Flows via canal and pipelines to a 44 acre desilting basin. From the desilting basin water flows via canals and pipelines to spreading grounds and other water delivery systems. Average annual diversion: 68,000 acre feet

Source: United Water Conservation District

Operating Information – (Continued)
Fiscal Year Ended June 30, 2019

Saticoy Spreading Grounds	Headworks and canal capacity: 375 cfs Number of basins: 15 including desilting basin Wetted area: 130 acres Basin dividers: 6 to 8 foot earth dikes Percolating capacity: 450 acre-feet per day Annual average spreading: 22,500 acre feet

El Rio Spreading Grounds	Saticoy to El Rio pipeline capacity: 150 cfs Number of basins: 10 Wetted area: 100 acres Basin dividers: 6 to 8 foot earth dikes Percolating capacity: 240 acre-feet per day Annual average spreading: 31,300 acre feet

Municipal Delivery Systems:	Consists of:
Oxnard-Hueneme Pipeline	12 wells located at the El Rio spreading grounds and Rose Avenue 2 8 million gallon clearwells 1 chloramination facility 1 booster plant 12 miles of distribution pipeline Delivery: 53 cfs of potable water to customers 13 turnouts and servicing agent for 53 turnouts. Includes City of Oxnard, Port Hueneme Water Agency (that provides service to the City of Port Hueneme, Point Mugu and Port Hueneme Navel bases and 4 mutual water companies), Vineyard Avenue Estates MWC, Rio Real & Rio Del Valle Schools

Agricultural Delivery Systems:	
Pumping Trough Delivery System	Construction completed in 1986 consisting of: 5 wells 1 reservoir 1 booster station Serves 4,600 acres of farmland Average delivery capacity of approximately 12,000 acre feet of water per year 15 miles of distribution pipeline. 62 turnouts
Pleasant Valley Delivery System	Completed approximately 1958. The primary purpose is to sell diverted river water to the Pleasant Valley County Water District (PVCWD) to offset pumping of wells in the PVCWD area. Serves 12,000 acres of farmland The pipeline is 25,600 feet long and 54 inches in diameter. 4 turnouts Design capacity: 75 cfs 2 reservoirs totalng 230 acre feet of capacity Average surface water delivery is 8,700 acre feet per year.
Saticoy Well Field	Construction completed in 2005 4 wells The purpose is to increase storage in the upper aquifer by pumping at the Saticoy spreading grounds and delivering excess water to the Oxnard Plain to relieve pumping in the Lower Aquifer System.

Source: United Water Conservation District

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